

ORIGINAL

Decision No. 73047

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Pomona Valley Water Company, a
California Corporation, for Issuance
of Common Stock, for Certificate of
Public Convenience and Necessity and
for the Fixing of Rates.

} Application No. 48405
} Petition for Rehearing
(Filed February 14, 1967)

Maroney, Demchuk & Ziebarth, by
D. E. Maroney, for applicant.
Douglas V. Kulberg, for R. A.
Watt Co., interested party.
Jerry J. Levander and Raymond E.
Heytens, for the Commission
staff.

OPINION ON REHEARING

By Decision No. 71879, dated January 24, 1967, this application was denied without prejudice.

By Decision No. 72197, dated March 28, 1967, rehearing was granted.

Public hearing was held before Examiner Warner on July 11, 1967, at Pomona. There were no protests to the granting of the application; County Service Area No. 48, a former protestant, having, by its letter dated December 13, 1966, stated that it was unable to serve the proposed area for many years to come, if even then.

In the instant petition, applicant alleged that it had sufficient financial backing as disclosed by the undated letter,

Exhibit "A" attached to the petition, of applicant's president, individually, and for the testamentary trust of Paul Greening, deceased, and Estella Greening DeLong, pledging \$100,000 as a loan to applicant; as disclosed by the letter from United California Bank, Pomona Main Office, dated February 8, 1967, which is Exhibit "B" attached to the petition, committing the bank to a credit accommodation to applicant of \$75,000 over the next two years; as disclosed by the letter of United California Bank, Pomona Main Office, dated February 3, 1967, which is Exhibit "C" attached to the petition, stating that it had intimate knowledge of the assets of the trust of Paul Greening and the estate of Estella Greening DeLong, and that it was the bank's opinion that their assets were sufficient to cover any necessary funding for applicant; and as disclosed by the letter of Pacific Mutual Life Insurance Company, dated February 10, 1967, which is Exhibit "D" attached to the petition, stating that the insurance company was quite optimistic that suitable long-term financing would be available to meet applicant's service requirements. Said allegations were supported by testimony at the hearing.

Also, in the petition applicant set forth schedules and statements of projected economic feasibility which showed that in the fourth year of operation, there should be \$6,400 of net profit, after taxes, and net cash-in of \$9,400, based on an average number of customers for said period of 200 customers. Said projections of net profit and cash-in took into effect the

elimination of the stand-by charge now included in Mutual's rates for irrigation service, proposed in the original application, but recommended to be deleted by the Commission staff in Exhibit No. 7. The allegations of the petition and the concessions as to tariff provisions were supported by testimony at the hearing. None were disputed by the Commission staff or any other party.

The Commission finds as follows:

1. The deficiencies in the original application noted in Decision No. 71879 (supra) have been reasonably rectified by the evidence on rehearing.

2. Public convenience and necessity require that a certificate of public convenience and necessity be granted to Pomona Valley Water Company to serve the area proposed to be served as shown on the map, revised Appendix B of Exhibit No. 7 (supra), received in evidence at the rehearing of July 11, 1967.

3. The rates proposed by the Commission staff which are attached to Attachment A of Exhibit No. 7 (supra) as pages 1 through 3 of Appendix A, are reasonable.

4. The money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

It is concluded that the application should be granted, to the extent covered by the findings heretofore made.

ORDER ON REHEARING

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pomona Valley Water Company, a corporation, authorizing it to provide general metered and irrigation water service in the areas outlined on revised Appendix B of Exhibit No. 7.

2. Applicant is authorized to file, after the effective date of this order, the rates set forth in Appendix A hereto, tariff service area maps clearly indicating the boundaries of the certificated areas, appropriate general and irrigation rules, and copies of printed forms to be used in dealing with customers.

3. Applicant, upon filing such rates, shall cancel Schedule No. 3, Irrigation Service (Sheet No. 68-W). 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.

4. The authority granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

5. Applicant, on or after the effective date hereof and on or before December 31, 1968, may issue not to exceed 15,988 shares of its no par common stock at \$46.62 per share for an aggregate total of \$745,360.56 for the purposes set forth in the application and the petition for rehearing.

6. Applicant shall file with this Commission a report or reports as required by General Order No. 24-B, which order insofar as applicable is hereby made a part of this order.

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

8. Within sixty days after the filing of the designated tariff sheets, applicant shall file with the Commission two copies of a comprehensive map or maps drawn to an indicated scale of not more than 400 feet to the inch, delineating by appropriate markings various lands and territories served, the principal sources, production, storage, and distribution facilities, and location of various water system properties of applicant.

9. Applicant shall keep separate records by operating systems showing revenues, expenses, plant investment and depreciation reserve for irrigation and resale facilities until further order of this Commission.

10. Applicant shall institute a program for inspection and enforcement of regulations relating to cross-connections.

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

Dated at San Francisco, California, this 12th day of SEPTEMBER, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners