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Decision No. 74523

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
VANDENBERG UTILITIES CO., a California
corporation, for a Certificate of
Public Convenience and Necessity to
Extend, Construct and Operate a Public
Utility Water System.

Application No. 50058
(Filed February 27, 1968)

O P I N I O N

Applicant operates a public utility water system in Santa Barbara County. Its general location is about four miles north of Lompoc on the northern side of the Lompoc-Casmalia Road. At the end of 1967, applicant was serving 1,195 metered customers in an area of 710 acres, more or less, in Vandenberg Village and vicinity. A study, prepared by an engineer of the Commission's Utilities Division, Hydraulic Branch, is received as Exhibit No. 1.

Applicant has three wells with a combined capacity of 4,000 gallons per minute and approximately 1,500,000 gallons of storage capacity. The staff engineer concluded that the system in general equalled or exceeded the requirements of General Order No. 103.

By the instant application authorization is sought to extend the service to include Tract No. 10730, which consists of about three acres of land subdivided into nine lots. The cost, estimated to be \$6,377, will be advanced by the subdivider under a main extension contract.

As of December 31, 1967, applicant's net utility plant amounted to approximately \$848,097 and included \$484,925^{1/} advances
1/ including an accrued refund of \$78,203.

for construction or 57.2 percent of net plant. The proposed facilities for Tract No. 10730 would increase this to about 57.5 percent if the cost is treated as an advance. Therefore, applicant will require authorization of a deviation from its filed Main Extension Rule (A. 2. a). The Commission is agreeable to this provided the subdivider will waive, in writing, its right to receive refunds until such time as the ratio of advances to net plant has been reduced to less than fifty percent.

Applicant proposes to apply its presently filed rates to the new area.

The Commission finds that:

1. Public convenience and necessity require public utility water service in Tract No. 10730. Applicant is the only public water corporation in the area and is ready, willing and able to provide such service to Tract No. 10730.
2. Applicant has a sufficient water supply and distribution facilities to serve its existing service area and Tract No. 10730. The facilities proposed to be installed in said tract and listed in Exhibit "C" to the application comply with the requirements of General Order No. 103 and will provide adequate service to said tract.
3. Applicant's existing rates on file with this Commission are reasonable and applicant should be required to establish such rates in Tract No. 10730 if it provides service therein.
4. The restriction against further extension of applicant's water system without authority from this Commission contained in prior orders should be continued in effect.
5. The estimated reasonable cost of the water system facilities to be installed to service Tract No. 10730, as specified in Exhibit "C" in the application, is \$6,376.63.

6. Applicant should be required to obtain from subdivider a waiver of payment of cash refunds until such time as the ratio of advances refundable in cash, including refunds due but not paid, to utility plant less depreciation reserve is less than 50 percent.

7. A public hearing is not necessary.

The Commission concludes that the application should be granted upon the conditions prescribed in the following order.

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 paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Vandenberg Utilities Co., subject to the conditions of this order, authorizing it to construct an extension of its water system to serve Tract No. 10730.

2. Within ten days after the date service is first rendered to the public under the rates and rules authorized herein, applicant shall submit written notice thereof to this Commission.

3. Applicant shall not extend service outside of its certificated areas, nor file any revised tariff service area map indicating its willingness so to extend service without first having obtained authorization therefor by further order of this Commission.

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4. Applicant shall obtain from subdivider a written waiver of payment of cash refunds on amounts advanced for service to Tract No. 10730 until such time as the ratio of advances refundable in cash to utility plant less depreciation reserve is less than 50 percent, pursuant to the Main Extension Rule.

5. Applicant shall file a copy of the waiver with the Commission in this proceeding.

6. The authority granted herein shall expire unless such waiver is filed within one year after the effective date of this order.

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

Dated at San Francisco, California, this 13th day of AUGUST, 1968.

William L. Bennett
President
[Signature]
[Signature]
[Signature]
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.