

Decision No. 78784

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. 53007  
(Filed November 18, 1971)

O P I N I O N

Vandenberg Utilities Co., a California corporation, requests a certificate of public convenience and necessity to extend, construct, and operate a public utility water system in Tract No. 11002, adjacent to Vandenberg Village (near Lompoc, Santa Barbara County) and that the restriction from extending service be terminated.

Tract No. 11002 is contiguous to the area for which applicant was granted a certificate by Decision No. 70118, dated December 21, 1965, in Application No. 47804. It is composed of eight parcels on which residences are to be constructed.

Applicant has been restricted from extending service without further order of the Commission beginning with Decision No. 60782, dated September 27, 1960, in Application No. 41672, and continuing through the most recent Decision No. 75405, dated March 11, 1969, in Application No. 50744.

The staff in its report of its investigation of this application, dated January 17, 1972, hereby received as Exhibit No. 1, states that it is informed that because of the decisions restricting expansion, Santa Barbara County will not approve the subdivision without a certificate. If the certificate should be granted and the restriction lifted, future extensions could be accomplished by advice letter filing.

As of December 1, 1971, applicant was providing metered service to 1,430 customers in an area of approximately 750 acres in Vandenberg Village and vicinity.

Decision No. 60782 states:

"We have considered the application and evidence of record and find that public convenience and necessity require that a certificate be granted to applicant to construct and operate a public utility water system in Units 1 and 2 at Tract No. 10034, Santa Barbara County. We do not find any immediate necessity for granting a certificate that would authorize operations beyond those two units. ... The availability of an adequate supply of water and the financial situation confronting the utility at such time or times, however, are questions of vital importance in the successful operation of a project of this kind, planned as it is for a staged development contingent upon factors not presently capable of being evaluated."

A Commission engineer has reviewed applicant's development of additional water supply and facilities in the eleven-year period during which the restriction has been in effect. The source of supply, storage, pumping, and distribution facilities are considered by the engineer to be adequate to serve applicant's present customers and the contiguous area for which requests have been submitted to the Santa Barbara County Planning Commission.

The staff report states that applicant's ratio of advance contracts to total capital as of September 30, 1971, plus the advance on the extension requested in this application, is 41.87 percent. Further, the report states that the estimated plant addition for water treatment will reduce the ratio substantially below 40 percent and will make it possible for applicant to enter into main advance contracts without further notification to the Commission, until such time as the advance contract balances reach the level set forth in applicant's filed main extension rule.

The staff report concludes as follows:

1. Applicant's utility plant is adequate to provide service to its present customers as well as to Tract No. 11002.
2. During the eleven-year period the Commission has restricted applicant's expansion, and applicant has improved its source of supply and financial situation, so that a restriction is no longer necessary.

The staff report recommends that applicant be granted a certificate of public convenience to serve Tract No. 11002 and be relieved of the requirement for a further order of the Commission to make extensions.

Applicant proposes to apply its present rates to customers in Tract 11002.

#### Findings and Conclusions

We find that:

1. Public convenience and necessity require the construction of the proposed water system to serve the area in Tract 11002.
2. Applicant's available water supply is of adequate quality and quantity to serve applicant's present service area and Tract 11002.
3. The application of applicant's present rates for water service in Tract 11002 is reasonable.
4. Applicant has the financial ability to serve Tract 11002.
5. The extension requested herein could be made under Section 1001 of the California Public Utilities Code except for restrictions imposed by the Commission.
6. The staff recommendations are reasonable.
7. A public hearing is not necessary.

We conclude that the application should be granted to the extent and under the conditions set forth in the order which follows.

The certificate of public convenience and necessity issued herein is subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity,

or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the issuance of such franchise, certificate of public convenience and necessity or right.

The action taken herein is for the issuance of a certificate of public convenience and necessity only and is not to be considered as indicative of amounts to be included in proceedings for the purpose of determining just and reasonable rates.

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 a public utility water system to serve Tract 11002 as delineated in Exhibit B attached to Application No. 53007.
2. Applicant is authorized to apply its presently filed tariff rates and rules to the area herein certified.
3. Within ten days after the date service is first rendered to the public within the area herein authorized, applicant shall submit written notice thereof to this Commission.
4. Applicant is authorized to file after the effective date of this order a tariff service area map clearly indicating the boundaries of the area authorized to be served. Such filing shall comply with General Order No. 96-A and shall be effective on the fourth day after the date of filing.
5. The authority to serve the area granted herein shall expire unless the designated map is filed within one year after the effective date of this order.

6. The requirement of this Commission that applicant may not extend its water system without further order of this Commission does not apply to extensions which otherwise may be made in accordance with the provisions of Section 1001 of the California Public Utilities Code and applicant's filed main extension rule.

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

Dated at San Francisco, California, this 7<sup>th</sup> day  
of MARCH, 1972.

[Signature]  
Chairman  
William J. Lyons  
[Signature]  
Thomas L. Sturgeon  
[Signature]  
Commissioners