

Decision No. 82595**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PONDEROSA WATER CO.,
a California corporation, for a
Certificate of Public Convenience
and Necessity under Section 1001 of
the Public Utilities Code.

Application No. 54391
(Filed October 17, 1973)

O P I N I O N

Applicant Ponderosa Water Company, Inc., a California corporation, requests a certificate of public convenience and necessity to construct and operate a public utility water system to extend into the remainder of the (1) Cherokee Valley Farms and (2) the Cherokee Valley area in Tuolumne County.

The utility's present service area is located in an unincorporated area of Tuolumne County approximately one mile north of the unincorporated town of Tuolumne. The source of its water is PG&E's Eureka Ditch, with a contract for a flow of 5 miners' inches or 65.1 gallons per minute. The distribution system at present consists of 69,646 linear feet of main, and there is 1,115,400 gallons of storage capacity connected as part of the system. An investigation by the Commission's staff reveals that the system operated at a loss for the year 1972 and will continue to operate at a loss until there are more customers.

That investigation and the application show that the requested area applicant plans to serve comprises an additional 600 acres, 320 in the Cherokee Valley Farms area and 280 acres in the Cherokee Valley area, both of which are contiguous to the utility's present service area. The annexed area is rural in character but can be developed as a recreational or second home community. The few homes in the new area obtain their water supply from individual wells alleged to be contaminated. The utility's service is adequate and will meet the standards of

General Order No. 103 in the enlarged service area when the improvements in Phases 1 and 5 of the Master Plan, Exhibit F, have been completed. The nearest public utility system providing domestic quality water is PG&E's Tuolumne city system which is approximately one mile from the Ponderosa Water Company's service area but the former system has no interest in extending its service to the requested area. Applicant proposes to provide all main extensions in accordance with the applicable provisions of Rule 15, Main Extensions. The two planned extensions to serve individuals are:

	<u>Cost</u>	<u>Refundable</u>
Cherokee Valley Farms Area	\$5,063.18	\$1,309.34
Cherokee Valley	7,632.72	2,631.76

Applicant will provide service under the rates in effect for the rest of its service area. Service will be provided on a metered basis to all new customers. The utility is changing its existing services from flat rate to metered rate. The proposed main extensions will provide for the looping of the distribution system with a resultant improvement in service. There are no recreational or park areas, historical landmarks, or other works of historic or aesthetic value within the area.

After consideration the Commission finds that public convenience and necessity require the construction and extension of applicant's system into the areas requested by the application. The Commission further finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment. The Commission concludes that the application should be granted.

Applicant is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Ponderosa Water Company, Inc., authorizing it to construct an extension of its public utility water system facilities to serve the contiguous areas shown on Exhibit A attached to the application.
2. After the effective date of this order, applicant may file revised tariff sheets including 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 revised tariff sheets shall become effective 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.
3. Applicant shall proceed with the construction of Phase 1 and Phase 5 of the Master Plan, Exhibit F, with these completion dates:

Phase 1 - October 1, 1975

Phase 5 - October 1, 1977

Applicant shall report, semiannually until completion, progress of construction on these items.

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

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th
day of MARCH, 1974.

Vernon L. Sturgeon
President
William J. Sturgeon
Thomas Moran
Donald H. Sturgeon
Commissioners

Commissioner Thomas Moran, being
necessarily absent, did not participate
in the disposition of this proceeding.