

ORIGINAL

Decision No. 13721

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)	
PINEDALE WATER COMPANY for a certifi-)	Application
cate of public convenience and for)	Number
the establishment of rates.)	10,004

In the Matter of the Application of)	
PINEDALE WATER COMPANY for an order)	Application
authorizing the issue of stocks.)	Number
	10,005

Goudge, Robinson and Hughes by
S. B. Robinson, for Applicant.

BY THE COMMISSION :

O P I N I O N

At the hearing had on the above applications before Examiner Fankhauser on May 22nd. the ~~xxxxx~~ applications were consolidated for hearing and decision. In Application Number 10,004 Pinedale Water Company asks for a certificate of public convenience and necessity permitting it to operate a water plant and further asks the Commission to establish rates which it may charge for water. In Application Number 10,005 Pinedale Water Company asks permission to issue not exceeding \$20,000.00 of common capital stock at par and to purchase a water distributing system built by the Pinedale Realty Company and construct additions and betterments to such system.

It is of record that the Pinedale Realty Company was formed to acquire approximately 225 acres of undeveloped and unimproved lands east of the holdings of the Sugar Pine Lumber Company at Pinedale, about 9 miles north of Fresno. The Pinedale Realty Company has subdivided about 140 acres of such tract and has been

selling lots in said subdivision. The improvements are to include roads, electric light and water. The townsite was established as an incident to the establishment of the lumber mill of the Sugar Pine Lumber Company. The territory within which applicant asks permission to construct, maintain and operate a public utility water system is described as follows :-

In all of the streets, avenues, alleys and public places within the portion of the townsite of Pinedale, County of Fresno, State of California, as shown on the map of said townsite recorded in the office of the county recorder of said county on March 20, 1923, in book 9 of Plats, at pages 92 and 93, lying westerly of the easterly line (and its prolongation) of that certain alley shown on said map, which is parallel to and 125 feet easterly from San Pablo Avenue, as shown on said map.

This territory comprises all of the area which officers of the Pinedale Realty Company believe will constitute the townsite of Pinedale during the course of the next five or seven years.

There has been filed with the Commission as applicant's Exhibit No. 1, copy of a franchise (Ordinance No. 235) granted by the Board of Supervisors of Fresno County, permitting applicant, subject to the conditions of such ordinance, to construct, operate and maintain a water system in the above described territory.

It is of record that the Pinedale Realty Company has expended more than \$15,000.00 to install a water distributing system in Pinedale. There are now about 95 services of which 85 are active. The water supply is obtained from a well owned and operated by the Sugar Pine Lumber Company, such well being located just outside the townsite. The water company is paying nothing for water received from such well. The water is pumped into an elevated tank of 10,000 gallon capacity. It is then forced into a pneumatic tank of 315 gallon capacity, and thereafter distributed through approximately 13,000 feet of standard screw pipe of sizes varying from 2" to 6" inclusive. The arrangements under which applicant intends to obtain water are not entirely satisfactory.

The oral agreement now existing between the Pinedale Realty Company and the Sugar Pine Lumber Company, under which agreement the lumber company is furnishing water free of charge to the realty company, should be reduced to writing. In addition, applicant should forthwith proceed with the construction of a well on one of the lots which the testimony shows will be transferred to applicant for a nominal consideration.

The company asks permission to put into effect the following rates :-

A. Meter Rates

<u>Monthly Meter Rates</u>	
From 0 to 400 cubic feet, per 100 cubic feet	\$0.30
Over 400 cubic feet, per 100 cubic feet	0.25

<u>Monthly Minimum Charges</u>	
For 5/8 inch meter	\$1.25
For 3/4 inch meter	2.25
For 1 inch meter	4.00
For 1 1/2 inch meter	7.50
For 2 inch meter	12.00

Each of the foregoing monthly minimum charges will entitle the consumer to the quantity of water which that minimum charge will purchase at the monthly meter rates as set out above. Meters may be installed upon any service at the option of either the utility or the consumer. If installed at the option of the utility the entire cost shall be borne outright by the utility. If installed at the option of the consumer, the actual cost thereof shall be deposited by the consumer with the utility and the amount so deposited shall be returned to the consumer as credits on monthly bills for water consumed at the rate of 30 per cent of such monthly bills.

B. Flat Rates

Monthly Flat Rates

1. Dwelling of six rooms or less, including irrigation of lot on which house is located, if not over 700 square yards . . \$1.50
2. For each additional room over six in Item 110
3. Stores, shops, markets, halls, offices, each 1.50
4. Sprinkling or irrigation not included in Item 1, for each month used, per 100 square feet05
5. Monthly minimum flat rate 1.50

The above rates appear reasonable and applicant may charge the same until further ordered by the Commission.

Pinedale Water Company asks permission to issue at par \$20,000.00 of its common capital stock. Of this amount approximately \$15,000.00 will be presently issued to the Pinedale Realty Company in payment for the water distributing properties and materials and supplies which the realty company will transfer to the water company. Three shares of stock will be purchased by directors for qualifying purposes. The remainder of the stock will be purchased by the Pinedale Realty Company at par for cash and the money used by the water company to extend and improve its water distributing system. It is believed that steps should be taken forthwith to develop a water supply on property owned by the water company and that the verbal agreement between the Pinedale Realty Company and the Sugar Pine Lumber Company, under which agreement the realty company has heretofore been obtaining water, should be reduced to writing. Such agreement should be submitted to the Commission for its approval.

O R D E R

Pinedale Water Company, having applied to the Railroad Commission for permission to construct, maintain and operate a water distributing system in Pinedale, to issue stock and for an order establishing rates for water service; a public hearing having been held,

It is hereby found that the rates herein established are just and reasonable rates and that the money, property or labor to be procured or paid for through the issue of stock herein authorized is reasonably required by applicant.

And basing its order upon the foregoing finding of fact and any other statements of facts contained in the opinion which precedes this order;

IT IS HEREBY ORDERED AS FOLLOWS :-

1. Public convenience and necessity requires and will require the Pinedale Water Company to exercise the rights and privileges obtained By Ordinance No. 235 passed on May 9, 1924 by the Board of Supervisors of Fresno County, provided that the company will never claim for such ordinance or franchise a value in excess of \$318.00, the amount paid to the grantor for such franchise.
2. Pinedale Water Company is hereby authorized and directed to file with the Railroad Commission within 20 days after the date of this order the following schedule of rates to be charged for all water delivered to consumers on and after July 1, 1924 :-

Monthly Flat Rates

1. Dwelling of six rooms or less, including irrigation of lot on which house is located, if not over 700 square yards \$ 1.50
2. For each additional room over six in Item 110
3. Stores, shops, markets, halls, offices, each. 1.50
4. Sprinkling or irrigation not included in Item 1, for each month used, per 100 square feet05
5. Monthly minimum flat rate 1.50

Monthly Meter Rates

From 0 to 400 cubic feet, per 100 cubic feet	\$ 0.30
Over 400 cubic feet, per 100 cubic feet	0.25

Monthly Minimum Charges

For 5/8 inch meter	\$ 1.25
For 3/4 inch meter	2.25
For 1 inch meter	4.00
For 1 1/2 inch meter	7.50
For 2 inch meter	12.00

Each of the foregoing monthly minimum charges will entitle the consumer to the quantity of water which that minimum charge will purchase at the monthly meter rates as set out above. Meters may be installed upon any service at the option of either the utility or the consumer. If installed at the option of the utility the entire cost shall be borne outright by the utility. If installed at the option of the consumer, the actual cost thereof shall be deposited by the consumer with the utility and the amount so deposited shall be returned to the consumer as credits on monthly bills for water consumed at the rate of 30 per cent of such monthly bills.

3. Pinedale Water Company may issue and sell at not less than par on or before February 1, 1925, \$20,000.00 par value of its common stock. Approximately \$15,000.00 of the stock or the proceeds received from the sale of such stock may be delivered to the Pinedale Realty Company in payment for the properties described in this application. Stock in the amount of \$300.00 par value may be issued to applicant's Board of Directors to qualify them as directors. The proceeds obtained from the issue of such stock shall be used by applicant for working capital. The proceeds obtained from the issue and sale of the remaining stock shall be used for such purposes as the Railroad Commission will authorize by a supplemental order.

4. Pinedale Water Company shall forthwith undertake the development of an adequate water supply on property owned by it, such development to be undertaken immediately and prosecuted with due diligence in order that a more adequate water supply may be available to applicant's consumers on or before February 1, 1925.
5. Applicant shall submit to this Commission for approval copy of the contract under the terms of which applicant can obtain water from the Sugar Pine Lumber Company's well, to which reference has been made in the foregoing opinion.
6. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th. day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order in so far as applicable, is made a part of this order.
7. The authority herein granted, as far as it relates to the issue of stock and the exercise of rights and privileges granted by Ordinance No. 235, of the Board of Supervisors of Fresno County, will become effective upon the date hereof.
8. Pinedale Water Company ~~xxxxxxx~~ is hereby, directed to file with the Railroad Commission for its approval within 30 days from the date of this order, rules and regulations governing service to its consumers, said

rules and regulations to become effective upon
their approval and acceptance by the Commission.

DATED at San Francisco, California, this 20th day of
June, 1924.

W. H. Murray

Irving Martin
Egerton Shore

Commissioners.