

Decision No. 32173

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
J. E. NORBY, for certificate of pub-  
lic convenience and necessity with  
relation to supplying water and elec-  
tricity to a resort community commonly  
known as "Central Camp."

ORIGINAL

Application No. 22654

Sherwood Green, for Applicant.

RILEY, COMMISSIONER:

O P I N I O N

In this proceeding J. E. Norby, an individual, asks the Railroad Commission for a certificate of public convenience and necessity to supply both water and electric service to Central Camp, a resort community located in the Sierras of Madera County, approximately fifty-six miles easterly from the City of Madera, in Section 5, Township 7 South, Range 23 East, M.D.B. & M. Applicant also requests approval of certain rates proposed to be charged for water and electric service rendered in this area.

A public hearing in this matter was held at Central Camp.

Central Camp originally was constructed and used as the base or home camp of the Sugar Pine Lumber Company for its mountain-logging operations. It was located on land owned by the White and Friant Lumber Company and was the terminus of The Minarets and Western Railroad which transported the cut timber as logs to the mill located at Pinedale in Fresno County. Construction was begun in 1922 and completed in 1923. To serve the camp the Sugar Pine Lumber Company installed two separate water distribution systems, one for domestic use and the other for protection purposes, together with electric distribution lines and a modern sewage system. Electric

energy at 22,000 volts was obtained from the San Joaquin Light and Power Corporation transmission line from Bass Lake for logging operations. The current was transformed to 220 volts for service to residence buildings, the electric distribution system in Central Camp being the property of the Sugar Pine Lumber Company. In 1931 logging operations were discontinued and the camp was abandoned in 1933 when the company went into receivership. The logging machinery in the woods and at the camp was salvaged in 1935 and the railroad was removed in 1936.

The White and Friant Lumber Company claimed the buildings and facilities at Central Camp as compensation for unpaid stumpage fees. Its claim was established by court decree in 1936. J. E. Norby purchased 649.43 acres, being all of Section 5, Township 7 South, Range 23 East, M.D.E. & M., which included all buildings and facilities at Central Camp, by corporation grant deed dated July 18, 1936, which sale and purchase was authorized April 15, 1937, by resolution of the Board of Directors of White and Friant Lumber Company.

J. E. Norby testified that although he did not actually acquire title to these properties until April of 1938, they were under contract of purchase since 1933; that he had sold twenty-six of the forty cabins with their respective parcels of land in Central Camp; that all the remaining cabins and portions of said Section 5 are owned by him; that in conveying each cabin and parcel of land easements were reserved for the purpose of constructing and maintaining water and power lines; that his total assets, exclusive of the value of the water, electric and sewer systems serving Central Camp, were thirty-one thousand fifty dollars (\$31,050); and that his total liabilities were four thousand six hundred dollars (\$4,600).

The record shows that since 1922 Sand Creek has been the source of water supply for all uses at Central Camp; that there is no human habitation above the point of diversion from the stream;

that during the height of logging operations the estimated population of the Camp was 1,000 persons; and that at all times Sand Creek flow has been adequate in quantity to supply the water requirements of Central Camp. A small concrete dam, located in a triangular shaped notch in the solid granite mountain over which Sand Creek flows in a series of rapids and falls, diverts water through a 6-inch diameter line consisting of 700 feet of wood stave and 1,795 feet of steel pipe to the power plant near the east edge of Central Camp.

A hydro-electric plant was constructed in 1936 and operates under a total static head of 244 feet and a normal net effective head of 183 feet. About one second foot of water is diverted through a Y connection to operate the 24-inch Pelton type F.S. standard water motor controlled by a Pelton Type O oil pressure governor and V-belt connected to a Western Electric 20 KVA generator which delivers 3-phase, 60-cycle alternating current at 120 volts directly to the distribution lines, the longest of which is about 1,200 feet, through a bus station equipped with rope coils and lightning arresters. There are no transformers. The electric distribution lines are of No. 2 W.P. copper wire on heavy pin-type insulators attached to standard cross-arms supported by wood poles thirty to forty feet in length and of 6-inch or more top diameter. Service drops are No. 12 W. P. copper wire. General Electric meters, Type I-14, are installed at each of the forty services but are not connected for use. A flat rate for electric energy is requested.

The domestic water is taken from the transmission pipe line just above the hydro plant, reduced to a pressure of fifty pounds per square inch and distributed through 2,800 feet of 2-1/2 inch pipe, 520 feet of 2-inch and 1,645 feet of smaller diameter pipe to forty consumers. From the Y at the power plant, for a

distance of 555 feet, the fire protection system is a direct continuation of the 6-inch steel transmission main from which water distribution is made through 2,050 feet of 4-inch steel pipe under 104 pounds per square inch pressure to the 6-inch barrel type hydrants which have 4-inch bottom inlets and two side outlets of 2-1/2-inch diameter. Each hydrant is enclosed in a 6' x 7' building with in-swinging doors for access at times of deep snow. Originally there were twelve hydrants and houses but only eight will be used in Central Camp, the others being too far outside the present residential area. Some 2,000 feet of 2-1/2-inch diameter quick coupling canvas and rubber hose and twenty-four brass Play Boy 1-inch nozzles are distributed to and stored in the fire hydrant shelters.

A complete sewer system consisting of glazed tile mains terminating at a septic tank and filter works about one-quarter mile distant and below Central Camp residence area and a garbage disposal system also are owned and maintained by J. E. Norby. However, the water and electric systems only are deemed to be under the jurisdiction of this Commission. The water system includes the fire hydrants and all facilities for bringing water to them but does not include any firefighting equipment. The book accounts of J. E. Norby hereafter should reflect the business of the public utilities separately and independently of any other private enterprises in which he may be engaged.

A report submitted at the hearing by E. L. Clark, one of the Commission's engineers, covers an investigation of applicant's water and electric systems and includes the estimated original cost of the physical properties used and useful as of June 12, 1939, and depreciation annuity calculated on the five per cent sinking fund basis, summarized as follows:

	<u>Estimated Original Cost</u>	<u>Depreciation Annuity</u>
General	\$ 150.00	
Water Systems*	10,726.00	\$ 79.50
Electric Systems	<u>4,189.81</u>	<u>66.70</u>
Total	\$15,065.81	\$146.20

\*Includes facilities common to both systems above the hydro-electric plant.

Applicant testified he was construction superintendent for the Sugar Pine Lumber Company from 1922 to 1932 and stated that the Company expended thirty-three thousand dollars (\$33,000) on the construction of the water system then serving Central Camp, including the terminal facilities of The Minarets and Western Railroad, but he was unable to present any evidence to substantiate his statement. Applicant further testified that he did not expect revenue from these utilities to provide any return on the capital invested in them and that he desired the rates to be designed so that the revenues would cover operation and maintenance expenses only.

The operation of Central Camp is seasonal, usually from May 1 to October 15 of each year. Deep snow, road and weather conditions are not conducive to a general residential use during the winter months. A watchman remains at the Camp, however, during the winter months. Throughout the year J. E. Norby and members of his family, with occasional outside assistance, perform all duties of operation and maintenance. The proposed annual flat rates for both water and electricity would include service to the consumers at any time during the year that natural conditions may permit Central Camp to be open and accessible. No protests to the proposed

rates were made by any of the several consumers testifying. No other public utility offers any service in or near Central Camp.

At the present time applicant is charging six dollars (\$6.00) per annum for domestic water service and four dollars (\$4.00) a year for fire protection which includes an estimated two dollars (\$2.00) per annum for rent of fire-fighting equipment. It is proposed to charge twelve dollars (\$12.00) annually for electric lighting service for which no charge has as yet been made. While these rates appear fair, just and reasonable and will be included in the following Order, it should be borne in mind that they are more or less of a trial or experimental nature. The ultimate charges may require adjustment when reliable operating statistics are available from actual operating practice, particularly for electricity, since the capacity of the hydro-plant, while now adequate, is definitely limited.

The following form of Order is recommended.

#### O R D E R

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted, and the Commission now being fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the operation of a water system and an electric system by J.E.Norby in Central Camp, an unincorporated resort community in the Sierra Nevada Mountains in Madera County, and otherwise described as being within Section 5, Township 7 South, Range 23 East, M.D.B. & M., and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is hereby granted to J. E. Norby to operate

a public utility for the sale and distribution of water and electric energy within the territory hereinabove described.

IT IS HEREBY FURTHER ORDERED that said J. E. Norby be and he is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following schedules of rates to be charged for all water and electric service rendered subsequent to the 31st day of July, 1939.

RATE SCHEDULES

FLAT RATES

Seasonal Use from May 1 to on or about the  
Middle of October of Each Year.

<u>WATER SERVICE</u>	<u>Per Year</u>
For Domestic Water Service payable on or before May 1 of each year, per cabin.....	\$6.00
For Fire Protection Service, payable on or before May 1 each year, but not including any fire-fighting equipment, per cabin.....	\$2.00
 <u>ELECTRIC SERVICE</u>	
For Household Lighting purposes only, payable on or before May 1 of each year, per cabin.....	\$12.00

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IT IS HEREBY FURTHER ORDERED that said J. E. Norby be and he is hereby directed to submit to this Commission for its approval, within thirty (30) days from the date of this Order, rules and regulations governing relations with his consumers of both water and electric service.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 18<sup>th</sup> day of July, 1939.

Frank R. Dwyer  
Ray A. Kelly  
[Signature]  
Justin J. Casper  
COMMISSIONERS.