

ORIGINAL

Decision No. 39475

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 JOHN A. FULTON and MARGARET F. MASON,  
 co-partners, doing business under the  
 name and style of Fulton Water Company,  
 for a certificate of public convenience  
 and necessity to operate a public utility  
 water system; and to establish rates for  
 water service in the unincorporated area  
 known as Unit No. 2 Lake Forest on  
 Lake Tahoe and territory adjacent thereto.

Application No. 27472

Butler and Reckers, by Stanley W. Reckers,  
for Applicant.

CRAEMER, COMMISSIONER:

O P I N I O N

In this proceeding John A. Fulton and Margaret F. Mason, co-partners, doing business as Fulton Water Company, ask the Railroad Commission to grant them a certificate of public convenience and necessity to operate a public utility water system to serve residents in a subdivision known as Unit No. 2 Lake Forest, and adjacent territory, located on the northwest shore of Lake Tahoe near Carnelian Bay in Section 28, T. 16 N., R. 17 E., M.D.B. & M., in the County of Placer. The Commission is also requested to establish flat and-metered rates for water service in this territory to be effective for the 1946 season.

Unit No. 2 Lake Forest has an area of 40 acres and was subdivided in 1927 into 158 lots by Tahoe Realty Company for the Fulton Estate Company, a corporation. The adjacent territory referred to in the application consists of 120 acres of adjoining land, which is owned by the Fulton Estate Company, and approximately three acres of subdivided land known as Lake Forest Unit No. 3. The 120-acre tract is now in the process of being subdivided. The Fulton Company installed a water

system to serve Unit No. 2 which consisted of approximately 6,000 feet of 1 and 2-inch pipe, an electrically-driven plunger pump, pump house, and a 2,100-gallon galvanized iron storage tank. The source of water supply is from Lake Tahoe. In 1940 the Fulton Estate Company installed a new centrifugal pump and pump house about 500 feet southwest of the original installation. Water pumped from the lake by the new pump is conveyed through 800 feet of 4-inch pipe to a 1,500-gallon steel pressure tank which is located 200 feet above the level of the lake. Two consumers are served directly from this tank. The balance of the water is conveyed then through 700 feet of 2 and 3-inch pipe to the 2,100-gallon galvanized iron storage tank. From this tank, the water is distributed to the remaining customers by gravity flow. In May of this year, the centrifugal pump was replaced by a turbine pump directly connected to a 7-1/2 horsepower electric motor. The plunger pump is used as a standby. There are now 26 consumers being supplied with water at no service charge. The record shows, however, that a charge of \$3 per lot per year has been made since the system was installed as a maintenance charge for use in protection from forest and brush fire.

On April 1, 1946, the Fulton Estate Company sold the water system to applicants herein and Helene Fulton Belz, the bill of sale being filed as Exhibit 2. At a later date, applicants acquired the property and are now the sole owners; the bill of sale yet to be filed.

Mr. Clyde F. Norris, one of the Commission's hydraulic engineers, made an appraisal of the physical properties of this system which shows the historical cost of the properties as of May 19, 1946, to be \$5,546, and the corresponding depreciation annuity, computed by the 5 per cent sinking fund method, to be \$76.00.

The record shows that the streets and roads in Unit No. 2 have not been accepted by the county as public roads and, therefore, a franchise or permission from the Board of Supervisors to lay and maintain pipe lines in them is not necessary.

Mr. Norris suggested minimum flat and metered seasonal charges of \$20 for the period from May 1 to October 31. On the measured basis the seasonal charges

provided for 700 cubic feet of water per month. Excess use is reduced through two blocks to 15¢ per 100 cubic feet. The proposed rates are similar to rates in effect on other systems in the Lake Tahoe region that are similarly operated.

Inquiry was made at the hearing concerning applicants' proposed schedule of rates for the current season but only a few of the consumers offered any objection. In event any of the consumers have paid the \$3 maintenance charge for this season, they are to be given credit in the billing for the current year.

No other public utility serves in the area, and no protest was made to the granting of a certificate or to the suggested rates. Under the circumstances the certificate will therefore be granted and the proposed rates will be established in the following Order. The certificate of public convenience and necessity granted herein is subject to the following provisions of law:

"That 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 (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right."

The following form of Order is recommended:

### ORDER

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 requires, and will require, the operation of a public utility water system by John A. Fulton and Margaret F. Mason, co-partners, in that certain subdivided tract known as Unit No. 2 Lake Forest and adjacent territory on the northwest shore of Lake Tahoe near Carnelian Bay in Placer County, California, comprising some 160 acres, and more particularly delineated on a map filed as Exhibit No. 1 in this proceeding and which map is hereby made a part of this Order by reference.

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is hereby granted to John A. Fulton and Margaret F. Mason, co-partners, to operate a public utility for the distribution and sale of water within the territory hereinbefore described.
2. That John A. Fulton and Margaret F. Mason, co-partners, are hereby authorized and directed to file in quadruplicate with this Commission, within thirty (30) days from the date of this Order, in conformity with the Commission's General Order No. 96, the following schedule of rates to be charged for all water service rendered to their consumers, effective for the season of 1946 and thereafter, which schedule of rates is hereby found to be just and reasonable for the service to be rendered.

Schedule No. 1

GENERAL FLAT RATES

Applicability:

Applicable to all unmeasured water service.

Territory:

In and in the vicinity of Lake Forest Unit No. 2, and adjacent territory, on the northwest shore of Lake Tahoe near Carnelian Bay, Placer County.

Rates:

Annual Seasonal Flat Rates:

Residential use, payable on or before May 1st of  
each year . . . . . \$20.00

Service season from May 1, to October 31.

Schedule No. 2

GENERAL METER RATES

Applicability:

Applicable to all water service furnished through meters.

Territory:

In and in the vicinity of Lake Forest Unit No. 2, and adjacent territory, on the northwest shore of Lake Tahoe near Carnelian Bay, Placer County.

Schedule No. 2 - Continued

GENERAL METER RATES

Rates:

Annual Seasonal Charge:

Payable on or before May 1 of each year, entitling the consumer to 700 cubic feet of water each month for the period from May 1 to October 31 . . . . . \$18.00

Water used in excess of 700 cubic feet in each month is payable under the following Monthly Quantity Rates:

Monthly Quantity Rates:

First	700 cubic feet, included in annual seasonal charge.	
Next	1,300 cubic feet, per 100 cubic feet . . . . .	\$0.25
Next	2,000 cubic feet, per 100 cubic feet . . . . .	.20
Over	4,000 cubic feet, per 100 cubic feet . . . . .	.15

A meter may be installed on any service at the option of either the consumer or the utility.

3. That John A. Fulton and Margaret F. Mason, co-partners, within thirty (30) days after the effective date of this Order, shall file four sets of rules and regulations governing relations with their consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale of about 8 1/2 x 11 inches in size, indicating thereon the service area and the location thereof with reference to the surrounding territory. Such filing shall not be construed as a determination or establishment, in whole or in part, of the dedicated area of service.
4. That John A. Fulton and Margaret F. Mason, co-partners, within sixty (60) days after the effective date of this Order, shall file four copies of a comprehensive map or sketch, drawn to an indicated scale of not less than 400 feet to the inch, delineating correctly thereon, by appropriate markings, the various tracts of land in the territory served. Such map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the various properties comprising the entire area of service. Such filing shall not be construed as a determination or establishment, in whole or in part, of the dedicated area of service.
5. That John A. Fulton and Margaret F. Mason, co-partners, within sixty (60) days after the effective date of this Order, shall file a certified copy of the bill of sale whereby they acquired the Fulton Water Company system.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

