

ORIGINAL

Decision No. 39973

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
North Tulare Water Company for order	:	
authorizing issue of stock and)	Application
certificate of public convenience	:	No. 28090
and necessity.)	
-----	:	

Roy R. Knode, for applicant.

O P I N I O N

In this application, as amended at the hearing had on January 22, North Tulare Water Company asks the Commission to grant it a certificate of public convenience and necessity authorizing it to construct a public utility water system in the area marked in red on the map filed as Exhibit "2", and authorizing it to issue for cash at their par value of \$1 per share, 25,000 shares of capital stock.

North Tulare Water Company is a California corporation. Its Articles of Incorporation were filed with the Secretary of State on February 8, 1946. It has an authorized stock issue of 75,000 shares of the par value of \$1 per share. It asks permission to issue 25,000 shares of its stock to Roy R. Knode, Lee R. Ekins, Robert W. Nickel, J. Lawrence Nickel and Homer Nickel. Each of them will buy 5,000 shares of applicant's stock. They are engaged in subdividing Tract No. 48 in the County of Tulare. It comprises about forty acres and is a portion of the northeast quarter of the southeast quarter of Section 35, Township 19 South, Range 24 East, M.D.B. & M., lying east of California State Highway No. 99 and about one mile north of the City limits of Tulare.

It has been subdivided into 114 parcels. Applicant desires permission not only to construct a public utility water system in this area, but also extend the water system to adjacent area. The record shows that people residing in territory adjacent to Tract No. 48 have asked for water service. The area applicant desires to serve is bounded on the south by the City limits of Tulare, on the west by Highway No. 99, on the north by Cartmill Road and on the east by the eastern boundary line of Section 35 and part of Section 2.

The testimony shows that the construction of applicant's water system is nearing completion. The persons who have agreed to purchase applicant's stock have been advancing money to applicant to enable it to pay its bills. The cost of the water system is reported at \$25,000.87, segregated as follows:

Land	\$ 1,650.00
Drilling two wells	1,819.50
Casing	1,914.38
Pumps	2,452.90
Motors	680.71
Pressure tank	1,408.38
Installation	225.00
Pipes and fittings	4,500.00
Digging ditches	1,300.00
Welding pipes	3,150.00
Office building	3,000.00
Pump house	400.00
Working capital and miscellaneous properties	<u>2,500.00</u>
Total	<u>\$25,000.87</u>

The land consists of lot 20, 54 feet by 120 feet, located at the northeast corner of Gail Street and Highway No. 99. Two wells are located on lot 20. One well is 361 feet deep, with 14-inch casing, equipped with a 25-horsepower motor and Pomona pump. The other well is 280 feet deep, with 14-inch casing,

equipped with a 15-horsepower motor and Johnson pump. The distribution system consists of about 2,000 feet of 6-inch, 4,000 feet of 4-inch, and 420 feet of 2½-inch pipe.

Applicant will charge for water rates similar to those now charged by the City of Tulare. The rates as set forth in Exhibit "1" are in error, in that the meter rates charged by the City of Tulare are on a 1,000 gallon basis and not on a 100 gallon basis as shown in the exhibit. The following rates are essentially the same as those charged by the City of Tulare:

A. FLAT RATES

Residential \$2.00 per month minimum
Plus .02 for each 100 square feet additional over 7,500 square feet.
\$1.00 for each additional residence on same lot.

B. METER RATES

First 10,000 gallons or less, minimum charge	\$1.50
Next 15,000 gallons or less	.10 per 1,000 gallons
Next 20,000 gallons or less	.09 per 1,000 gallons
Over 45,000 gallons	.08 per 1,000 gallons

It is applicant's intention to sell water under meter rates to commercial users and to install meters as soon as they are available.

The testimony shows that no other public utility operates in applicant's proposed service area. No protests were made against the granting of the certificate. It appears that applicant does not require a franchise from the County of Tulare.

The certificate of public convenience and necessity herein granted is subject to the provision 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 annual tax or charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity.

O R D E R

The Commission having considered the evidence submitted at the hearing had on this application before Examiner Fankhauser, and it being of the opinion that the money, property or labor to be procured or paid for through the issue of \$25,000 of stock by North Tulare Water Company is reasonably required by it for the purposes herein stated, that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, subject to the provisions of this order,

The Commission hereby declares that public convenience and necessity require, and will require, the construction of a public utility water system by North Tulare Water Company in the area shown in red on the map filed in this application as Exhibit "2", therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it is hereby, granted to North Tulare Water Company authorizing it to construct a public utility water system in said area.

IT IS HEREBY FURTHER ORDERED as follows:

1. North Tulare Water Company is hereby authorized and directed to file, in quadruplicate, in conformity with the Commission's General Order No. 96, within sixty (60) days from the date of this order, the following schedules of rates to be charged for all water service rendered, which schedules of rates are hereby found to be just and reasonable for the service to be rendered.

Schedule No. 1

FLAT RATES

Applicability:

Applicable to all unmeasured water service.

Territory:

In the area covered by the certificate of public convenience and necessity granted by this order.

Rates:

Per Month

For each residence, including reasonable and necessary quantities of water for an irrigated area of not over 7,500 square feet of lawns, gardens, shrubbery and trees	\$2.00
For each additional residence on same lot	1.00
For each 100 square feet over and above the 7,500 square feet02

Schedule No. 2

METER RATES

Applicability:

Applicable to all domestic, commercial and industrial metered service.

Territory:

In the area covered by the certificate of public convenience and necessity granted by this order.

Rates:Minimum Monthly Charges

	<u>Per Meter Per Month</u>
For 5/8 to 3/4-inch meter	\$1.50
For 3/4-inch meter	1.80
For 1-inch meter	2.50

Monthly Quantity Rates:

First 10,000 gallons, per 1,000 gallons	.15
Next 15,000 gallons, per 1,000 gallons	.10
Next 20,000 gallons, per 1,000 gallons	.09
Over 45,000 gallons, per 1,000 gallons	.08

2. North Tulare Water Company shall, within sixty (60) days from the date of this order, submit to the Commission for its approval four (4) sets of rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch drawn to an indicated scale upon a sheet 8 1/2 x 11 inches in size, delineating thereupon in distinctive markings the boundaries of its present service area, and the location thereof with reference to the immediate surrounding territory provided, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

3. North Tulare Water Company shall, within sixty (60) days from the date of this order, file with this Commission four (4) copies of a comprehensive map drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory presently served. This map shall be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire

utility area of service, provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

4. North Tulare Water Company may, on or before June 30, 1947, issue and sell at their par value of \$1 per share, 25,000 shares of capital stock and use the proceeds to pay the cost of constructing its public utility water system and the maintenance of its service, to which reference is made in the foregoing opinion.

5. North Tulare Water Company shall file a report, or reports, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

6. This order is effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 15th day of February, 1947.

Harold P. Huls
Justus J. Quince
Joseph Powell
A. F. [unclear]
Permitt [unclear]
Commissioners