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Decision No. 40401

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of J. Elliott Fox and Joe Fox for an order granting to them a certificate of public convenience and necessity to operate a public utility water system.

Application No. 28138

O P I N I O N

J. Elliott Fox and Joe Fox, doing business under the fictitious firm name and style of Ridgecrest Water Supply, ask the Commission for a certificate of public convenience and necessity to operate a public utility water system in the town of Ridgecrest, Kern County, California.

A public hearing in this proceeding was held before Examiner MacKall at Ridgecrest.

The requested service area comprises 400 acres, 320 acres thereof being a parcel of land lying between Ridgecrest Boulevard on the north and Upjohn Road on the south, bounded on the east by a line parallel to and a quarter mile east of Randsburg Highway and on the west by a line parallel to and approximately a quarter mile west of Sunset Avenue. The remainder of the service area is approximately a quarter mile in width lying north of Ridgecrest Boulevard, extending to Sunset Avenue on the west and Randsburg Highway on the east.

George and Bertha Robertson homesteaded a large area of land in this area including all of the proposed service area. In 1914 the Robertsons installed Well No. 1 to furnish water for farm and dairy operations. Joe Fox purchased the Robertson ranch in 1937 and thereafter subdivided a portion for residential and commercial purposes. The townsite later named Ridgecrest by the United States Post Office Department experienced a sudden and phenomenal growth as a result of the installations of the United States Naval Ordnance Test Station, in immediately adjacent territory. During 1945 two additional wells were drilled and the

distribution mains were greatly extended.

Water is furnished from three wells numbered 1, 2, and 3, 400 feet, 320 feet, and 335 feet deep, respectively. The rated capacities of the pumps on the respective wells are 800, 700, and 650 gallons per minute. The distribution system consists of 30,000 feet of mains, ranging from two to six inches in diameter. Delivery is by gravity from a 50,000-gallon tank, the floor elevation being 42 feet above ground surface.

The service area has a very perceptible slope, resulting in a varied static head from 30 feet to 75 feet, giving dead pressures from 10 pounds to 30 pounds per square inch. The testimony shows that the actual working pressures in the outlying edges of the service area at the general elevation of the tank site and all of the higher zone are too low to provide satisfactory service, especially in the upper section where at times no water at all is available. Mr. Joe Fox admitted the lack of pressure and proper service in certain areas, mainly in the higher elevations, which occurred as the result of a local real estate promoter putting in a subdivision with small-sized pipe and no water supply other than a connection provided by Mr. Fox with his system. Applicants have promised to remedy this situation and it is recommended that a booster plant be installed to serve the outlying areas and preferably a separate zone be operated for the highland areas served through a booster plant or a pressure tank system. At present there are 257 consumers served and about 100 acres of alfalfa, grain and melons irrigated on the Fox Ranch from the wells.

A report submitted by R. E. Sutherland, one of the Commission's engineers, set out an estimate of the historical cost of the fixed capital investment of \$51,491.

The records of the utility's transactions heretofore kept by applicants are fragmentary, incomplete and are combined with ranch and other private business transactions. However the testimony presented and the report of the Commission's engineer indicate that the revenues charged and collected for 1946 totalled \$9,023,

exclusive of water deliveries to the ranch and service supplied to twenty-one rented cabins and two trailer parks, all owned by Mr. Joe Fox. Although no measurements were made of the amount of water delivered for agricultural purposes, based upon the estimates presented, it would appear that the minimum revenues receivable for charges for water furnished to properties owned by applicants would be \$2,000 for the year 1946. The operating expenses for 1946 were estimated by Mr. Suthorland to be \$9,665, including depreciation. Charging over-all operations as indicated above would show a net return for 1946 of 2.6 per cent on the above estimated capital investment of \$51,491.

Applicants request that the rates currently charged be authorized. No one objected to any of the requests of applicants and as there is an ample water supply available in this area from underground sources and the rates proposed being just and reasonable under existing circumstances, the certificate will be granted. Applicants will be required, however, to take immediate steps to remedy the poor service conditions in certain sections of the territory served as indicated above.

The Commission has considered the request for a certificate of public convenience and necessity, and is of the opinion that it should be granted, subject to the following 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 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."

ORDER

Application as above entitled having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted, and the Commission being fully advised in the premises,

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require, and will require, the operation of a public utility water system by J. Elliott Fox and Joe Fox, operating under the fictitious firm name and style of Ridgecrest Water Supply, to supply water for domestic, commercial, industrial and agricultural purposes in the unincorporated community known as Ridgecrest and in the vicinity thereof, situate in Kern County, as more particularly delineated upon the map of said service area in Exhibit No.1, filed in this proceeding and 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 J. Elliott Fox and Joe Fox to operate a public utility water system for the distribution and sale of water within the territory hereinabove described and under the conditions set forth herein.
2. That J. Elliott Fox and Joe Fox be and they are hereby authorized and directed to file in quadruplicate, in conformity with this Commission's General Order No. 96, within thirty (30) days from the date of this Order, the following schedules of rates to be charged for all water service rendered to their customers subsequent to the date of this order, which schedules of rates are hereby found just and reasonable for the service to be rendered.

Schedule No. 1

GENERAL METERED SERVICE

Applicability:

Applicable to domestic, industrial, and general metered service.

Territory:

In the town of Ridgecrest, Kern County, and vicinity.

Rates:

Monthly Quantity Rates:

	<u>Per Meter Per Month</u>
First 600 cubic feet; or less.....	\$3.00
Next 1,000 cubic feet; per 100 cubic feet.....	.30
Next 1,400 cubic feet; per 100 cubic feet.....	.25
Over 3,000 cubic feet, per 100 cubic feet.....	.20

Schedule No. 1 - Continued

GENERAL METERED SERVICE

Rates (Continued):

<u>Monthly Minimum Charges:</u>	<u>Per Meter Per Month</u>
For 5/8 x 3/4-inch meter.....	\$3.00
For 3/4-inch meter.....	5.00
For 1-inch meter.....	7.00
For 1 1/2-inch meter.....	10.00
For 2-inch meter.....	14.00
For 3-inch meter.....	20.00
For 4-inch meter.....	30.00

The Minimum Monthly Charge will entitle the consumer to the quantity of water which that minimum monthly charge will purchase at the Monthly Quantity Rate.

Schedule No. 2

FLAT RATE SERVICE

Applicability:

Applicable to all domestic flat rate water service.

Territory:

Within territory in and adjacent to the unincorporated town of Ridgecrest, Kern County.

Rates:

	<u>Per Month</u>
For each dwelling or house, for water used inside the house only.....	\$3.00
For irrigation or sprinkling of areas devoted to lawns, gardens, shrubbery, trees, etc., per 100 square feet...	.05

These rates apply to permanent installations only.

In case of a temporary installation, the customer will be required to pay the cost of installation of water service, subject to refund as provided under rules and regulations.

3. That J. Elliott Fox and Joe Fox, within sixty (60) days from the date of this Order, shall submit to this Commission for its approval 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 upon a sheet 8 1/2 x 11 inches in size, delineating thereupon in distinctive markings the boundaries of their 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

3. (Continued)

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. That J. Elliott Fox and Joe Fox, within sixty (60) days from the date of this Order, shall file with this Commission four 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 should 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 final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

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

Dated at San Francisco California, this 10th day of June 1947.

James P. Hill
Justice J. Cassen
Walter K. Russell
R. E. Morrison
Kenneth P. Lott
 COMMISSIONERS.