Decision No. 40816

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of G. O. Souder, dba SOUDER WATER COMPANY, for a Certificate of Public Convenience and Necessity to operate a public utility water system, and have rates established for water service rendered in Tracts No. 35, No. 58 and No. 120 in and in the vicinity of Earlimart, Tulare County, California.

Application No. 28592

G. O. Souder, for Applicant.

### OPINION

G. O. Souder, engaged in the business of operating a water system at Earlimart, Tulare County, asks the Commission for a certificate of public convenience and necessity to operate a public utility water system in County Tracts No. 35, 58 and 120, consisting of approximately 40 acres subdivided into 143 lots and located adjacent to the southerly boundary of the unincorporated town of Earlimart.

A public hearing in this matter was held at Tulare.

In 1946 a 12-inch well, 408 feet deep, was drilled on Lot 28, Tract 58, and pipe lines were installed throughout Tracts 35 and 58. Water service was first started on or about July 1, 1946. During September 1947, extensions to supply Tract 120 were completed. Eighty-five customers are now being served in the three tracts. A deep well pump, driven by a 20-horsepower electric motor, delivers water into a 2,200-gallon steel pressure tank automatically set to operate between 18 and 40 pounds per square inch. The distribution system consists of approximately 7,100 feet of 4-inch mains.

The flat rates being charged at present and requested by applicant are as follows:

#### FLAT RATES

Single residence, entitling customer to irrigate lawn and garden on a single lot \$2.	00
For each additional house 1.	00
For stores or other commercial enterprises 2.	00

Per Month

At the hearing applicant asked that his application be amended to include the establishment of a schedule of meter rates, although he declared it is not his intention to install meters generally throughout the system. It appears that this procedure is desirable and such a schedule will be established in the following Order.

Applicant testified that the actual cost of the water system amounted to \$15,053, exclusive of any allowance for his own time or incidental expenses incurred in the development of the water system. He estimated that the system would be serving 125 customers in the immediate future.

Mr. John D. Reader, one of the Commission's engineers, estimated the cost of the fixed capital at \$15,476 and the future revenue and expenses, based upon 125 customers, at \$3,300 and \$2,629, respectively. Using these figures the estimated future rate of return would be 4.34 per cent.

The rates established in the following Order include certain additions to the flat rates as proposed to cover air-conditioning units and a rate for measured service to commercial customers where flat rates are not reasonably appropriate.

The roads in the three tracts have been dedicated for the public use.

Mr. Souder testified that the Board of Supervisors of Tulare County has granted to him verbal permission to lay pipe lines in, under and across these roads.

No other public utility water system is operating in this territory and no protest was made against granting applicant's request. The evidence indicates

certificate and the establishment of the rates set out in the following Order...

The certificate of public convenience and necessity granted herein is

"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 Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted and the Commission now 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 G. O. Souder in Tracts No. 35, 58 and 120, Tulare County.

IT IS HEREBY ORDERED as follows:

- 1. That a certificate of public convenience and necessity be and it is hereby granted to G. O. Souder to operate a public utility for the distribution and sale of water in the territory hereinbefore described.
- 2. That G. O. Souder is 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 schedules of rates to be charged for water service rendered to his customers, 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 Tracts No. 35, 58 and 120, located adjacent to the southerly boundary of the unincorporated town of Earlimart, Tulare County.

Rates:		Per Month
For	single family dwelling to include the irrigation of 2,500 square feet of garden	\$2.00
For	service to house trailers or tents when used as dwelling, not including any irrigated area	1.00
For	area irrigated in addition to that included with above dwelling or house trailer rates during the months May to October, inclusive, per 100 square feet	.06
For	each water cooler without circulating system, additional charge during months of use	<b>.</b> 50
For	each water cooler with circulating system, additional charge during months of use	.25
For	each additional house or apartment served through a single service	1.00
For	additional rooms, cabins or tents, without plumbing, when occupied	.50
For	commercial or industrial use according to use to be determined by meter or otherwise and not to exceed the meter rates as herein established.	

#### Schedule No. 2

#### METER RATES

# Applicability:

Applicable to all measured water service.

### Territory:

In Tracts No. 35, 58 and 120, located adjacent to the southerly boundary of the unincorporated town of Earlimart, Tulare County.

### Schedule No. 2 - Continued

#### METER RATES

Rates:		Per Meter Per Month
Minimum Ch	narge:	TCI MOITOIT
3/4-5 1-5 1 <del>2</del> -5	inch meter	\$1.50 2.00 3.00 5.00 8.00
const	of the foregoing "Minimum Charges" will entitle thumer to the quantity of water which that monthly mum charge will purchase at the following "Quantity s:"	•
Quantity I	Rates:	
	500 cubic feet, per 100 cubic feet	\$1.50 .25 .20 .15
Over		.10

- 3. That G. O. Souder, within thirty (30) days after the effective date of this Order, shall file four sets of rules and regulations governing relations with his consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x ll inches in size, indicating thereon the service area and the location thereof with reference to the surrounding territory; provided, however, that such map or sketch shall not be construed as a final determination or establishment, in whole or in part, of the dedicated area of service.
- 4. That G. O. Souder, 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 a 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 utility area of service; provided, however, that such filing shall not be construed as a final determination or establishment, in whole or in part, of the dedicated area of 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 Public Uthlities Commission of the State of
Caltiornia.
Dated at an francisco, California, this 10 day
of October, 1947.
Harolat. Hula
Justus J. Galeria
Qual Jamese.
Commissioners.