

Decision No. 40868

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DANIEL W. HILDERBRANT, also known as
D. W. Hilderbrant, for Certificate of
Public Convenience and Necessity to
operate a water public utility.

Application No. 28646

E. I. Feemster, for Applicant.

Bradley & Bradley, by N. F. Bradley, for Roy Marshall,
interested party.

Earl B. Ingram, for Tulare County Planning Commission.

Gene Satterfield, for Farmersville Chamber of Commerce.

O P I N I O N

Daniel W. Hilderbrant, also known as D. W. Hilderbrant, engaged in the business of supplying water for domestic and other purposes to the inhabitants of the unincorporated community of Farmersville, Tulare County, asks the Commission for a certificate of public convenience and necessity to operate a public utility water system in that certain portion of Farmersville, comprising about 33 acres, indicated on the map filed in evidence in this proceeding as Exhibit No. 4, being an amendment to the map identified as Exhibit "D" originally filed as part of the application herein.

A public hearing in this matter was held at Visalia.

Mr. Hilderbrant began serving water to his own property and Brundage's Subdivision in 1929. At first the system was supplied by gravity from a small tank and pump driven by a two-horsepower motor but this equipment was soon replaced by a pressure system with a turbine pump and three-horsepower motor. Early in 1947, a new well, pump and five-horsepower motor were installed and put into service. County permits were obtained on July 19, 1935, and on May 2, 1939, when it became

necessary to lay pipe lines under and across the county roads. At the present time water is pumped into a 750-gallon tank, where pressures between 48 and 68 pounds per square inch are automatically maintained, and is then distributed to about 76 consumers through approximately 4,080 feet of mains, varying in size from one to four inches in diameter.

At the hearing, applicant supplemented his application by requesting the Commission to establish a schedule of reasonable flat rates for all classifications of water service being rendered from his system. He also asked that a schedule of rates for metered service be authorized, although he plans to continue supplying water service at flat rates and to install meters only where future circumstances may warrant their use. At the present time, applicant is rendering service at the following schedule of flat rates:

	<u>Per Month</u>
1. Single family service	\$1.50
2. Cabin Court service:	
(a) - Courts of not more than 4 cabins	2.00
(b) - Courts of 5 to 10 cabins	3.00

Applicant testified that he does not want to extend water service to subdivisions located beyond the present area of his service as his water supply and pipe lines cannot provide adequate and satisfactory service under such conditions unless the entire system is replaced with larger facilities.

The present capital investment was estimated at \$8,399 by applicant; however, this figure includes land and buildings not used in the water business and omits the value of the old well and the pressure tank.

In a report presented by Mr. J. D. Reader, one of the Commission's engineers, he estimated the original cost of the fixed capital to be \$5,246. He also estimated the revenue at the present rates and expenses for the year 1947 at \$1,488 and \$1,198, respectively. Using these figures, the estimated rate of return for 1947 would be about 5½%.

Counsel for Mr. Roy Marshall indicated that his client would like to have applicant extend water service to his new subdivision located north of the proposed service area but would install his own system if necessary.

Mr. Earl B. Ingram, County Planner, stated that his commission would prefer to have one comprehensive water system developed for the whole area. At the present time many residents have their own shallow wells and the community is now becoming so densely populated that there is serious danger of contamination from sewage as there is no central sewage disposal system.

Mr. Gene Satterfield, representing the Farmersville Chamber of Commerce, testified that his organization has proposed the formation of a public utility district for the immediate purpose of constructing a sewage disposal system. He stated that it does not contemplate developing its own water supply but would rely on some public utility for water service; however, it is highly desirable to have mains large enough to provide adequate fire protection along with good domestic and commercial service.

One consumer, Reverend C. C. Van Leer, speaking for himself and his church people, testified that prior to the installation of the new five-horsepower pumping unit the water pressure was at times very inadequate. Although the service is since much improved, the pressure is never very strong because of the great length and small diameter of the pipe lines.

The record shows that the present rates are yielding a fair return on applicant's investment. The rates established in the following Order include minor changes in the present schedule to equalize the charges for certain classes of service in conformity with the estimated quantity of water consumed and also will include a schedule of meter rates for use on commercial services where flat rates cannot be equitably applied or when it becomes necessary on domestic services to check unnecessary waste of water.

No other public utility water system is operating in or adjacent to this territory. The evidence indicates that public convenience and necessity require

the granting of the certificate requested herein. Applicant's request that the certificated area of service be limited at present to the central portion of the town, as indicated on Exhibit 4, appears reasonable in order to adequately serve the present and prospective consumers therein.

The certificate of public convenience and necessity granted herein is 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."

O R D E R

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 Daniel W. Hilderbrant in that portion of the unincorporated community of Farmersville, in Tulare County, indicated on the map filed as Exhibit 4 in this proceeding, 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 Daniel W. Hilderbrant, also known as D. W. Hilderbrant, to operate a public utility for the distribution and sale of water in the territory hereinbefore described.
2. That Daniel W. Hilderbrant 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; any increases in rates or charges authorized by this decision, over and above those now being charged by applicant, are hereby found to be justified.

Schedule No. 1

FLAT RATES

Applicability:

Applicable to all unmeasured water service.

Territory:

In that portion of the unincorporated community of Farmersville, Tulare County, as indicated on the map of Farmersville included as part of this Order.

Rates:

Per Month

For single family dwelling, to include the irrigation of 2,500 square feet of garden	\$1.50
For each house trailer or tent, when used as a 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 feet05
For each water cooler, without circulating system, additional charge during months of use40
For each water cooler, with circulating system, additional charge during months of use20
For each additional house or apartment served through a single service	1.00
For each additional room, cabin or tent, without plumbing, when occupied50
For commercial or industrial use, according to use, to be determined by meter or otherwise and not to exceed the meter rates herein established.	

Schedule No. 2

METER RATES

Applicability:

Applicable to all measured water service.

Territory:

In that portion of the unincorporated community of Farmersville, Tulare County, as indicated on the map of Farmersville included as part of this Order.

Schedule No. 2 - Continued

METER RATES

Rates:

Per Meter
Per Month

Minimum Charges:

For 5/8-inch meter	\$1.40
For 3/4-inch meter	1.70
For 1-inch meter	2.00
For 1 1/4-inch meter	3.00
For 2-inch meter	5.00

Each of the foregoing "Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Quantity Rates":

Quantity Rates:

First 700 cubic feet, or less	\$1.40
Next 3,300 cubic feet, per 100 cubic feet15
Over 4,000 cubic feet, per 100 cubic feet10

3. That Daniel W. Hilderbrant, 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 8 1/2 x 11 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 Daniel W. Hilderbrant, 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.

Dated at San Francisco, California, this 4th day of
November, 1947.

Harold P. Kula

Justus F. Grauer

Harold H. Russell

A. J. D. D. D. D.

Commissioners.