

Decision No. 41361

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
ANGELE MOUREN,
For a certificate of public convenience
and necessity to operate a waterworks
and domestic water system.

Application No. 29072

Irvine P. Aten, for Applicant.

James T. Barstow, for Carl W. Weller.

Robert W. Munyon, for Huron Development Company.

POTTER, COMMISSIONER:

O P I N I O N

In this application Angele Mouren asks the Commission for a certificate of public convenience and necessity to operate a domestic water system in the unincorporated town of Huron in Fresno County.

Applicant alleges that she has been engaged in the business of supplying domestic water service for a number of years last past and that an unusual and rapid development of the community now is taking place which will require the extension of water service to meet the water demands of the area. The Commission is asked to define and establish the service area as outlined in the application herein.

A public hearing in this matter was held in Fresno.

The unincorporated town of Huron is located about 18 miles east of Coalinga and 55 miles southwest of the City of Fresno. Applicant has sold water in the town of Huron for many years, operating two separate water systems, one supplies water for general use to 40 consumers and the other furnishes 10 homes with water for drinking and cooking purposes. This latter water is transported in tank cars by railroad from Armona, some 25 miles distant. Water for general use until recently

was supplied from a well 600 feet deep. The water, however, is so highly alkaline that it is wholly unsatisfactory for general household use. Applicant now has arranged to obtain substitute water from the Huron Development Company which has a 14-inch well, 1,900 feet deep, producing water satisfactory for all purposes.

The evidence shows that applicant has an installed fixed capital investment in both water systems of \$42,606, as of December 31, 1947. From this should be deducted \$10,761 for one of two new 30,000-gallon steel tanks, erected in 1947, and now being used by Huron Development Company. This leaves an investment in operative properties of \$31,845. In view of the recent complete change in water supply and operating methods past recorded expenses are of little value. However, as charged the revenues received in 1947 for general use operations were reported as \$2,376, expenses including depreciation, \$1,957, leaving net revenues of \$419. The system supplying drinking water only received \$487 in revenues, and with expenses of \$340 realized a net revenue of \$147 for the same year. No reliable evidence was submitted upon which a reasonably dependable estimate could be made of the fair and necessary operating costs for the immediate future. The present agreement with Huron Development Company to purchase water calls for a rate of 8¢ per 1,000 gallons, a part of the consideration for the agreement being the use by said development company of one of the new storage tanks.

Angele Mouren is the owner of most of the lands lying outside the area now being served. These lands, together with the remainder of the requested territory, are more particularly described in the application and outlined in red on the map attached thereto. This service territory includes also Block No. 7 and Block No. 14 of the Taylor Addition and a parcel of land, 417 feet wide, lying westerly of Lassen Avenue, between the northerly boundary of the Southern Pacific Railroad Company's right of way and Palmer Avenue.

The present rate charged for drinking and household water service is \$1.50 per month for 150 gallons, the next 850 gallons cost 1 cent per gallon and all water in excess of 1,000 gallons is 3/4 of a cent per gallon.

Under the general use service delivered through what is called locally the "Well System," there are two classes of service with separate rate schedules. The

domestic rate is \$2.00 per month which entitles the consumer to 8,000 gallons of water; all additional water is 25¢ per 1,000 gallons. The commercial rate is identical except that water from 8,000 to 500,000 gallons is 20¢ per 1,000 gallons and all in excess thereof is 15¢ per 1,000 gallons.

No other public utility water system serves in the territory in which applicant has requested authority to serve and no one appeared at the hearing to protest the granting of the certificate or the establishment of rates. Under the circumstances the certificate will be granted.

Most of the consumers desire to retain the imported drinking water service. In view of this demand it appears proper to maintain this service, which of necessity will require operation of two separate water systems with different rate schedules.

The present charges for the drinking water service appear to be reasonable as far as can be determined from the present record, and will therefore be established in the following order. The present charges for general use from the so-called Well System are admittedly too low. The rates hereinafter established for this latter service should prove reasonable to both consumers and the utility under present arrangements and conditions, but should be subject to review, however, at the request of either the utility or consumers if future experience or substantial changes should so warrant.

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, Angelo Mouron to construct and operate a public utility water system in that section in and adjacent to the unincorporated town of Huron, County of Fresno, as more particularly described in the application herein and as outlined in red on the map attached thereto, which description and map are 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 Angelo Mouron to operate a public utility water system for the sale and distribution of water within the territory hereinbefore described.
2. That Angelo Mouron be and she is hereby authorized and directed to file in quadruplicate with this Commission, within thirty (30) days from the effective date of this Order, in conformity with the Commission's General Order No. 96, the following schedules of rates to be charged for all water service rendered to her customers on and after the effective date of this Order, which schedules of rates are found to be just and reasonable for the service to be rendered:

Schedule No. 1
DRINKING WATER SYSTEM
METERED SERVICE

Applicability:

Applicable to all domestic and commercial use of water.

Territory:

In and adjacent to the unincorporated town of Huron, Fresno County, as outlined in red on a map attached to the application herein and made a part of this Order by reference.

Rates:

	<u>Per Meter</u> <u>Per Month</u>
<u>Monthly Minimum Charge:</u>	
For 5/8 x 3/4-inch meter.....	\$1.50
<u>Monthly Quantity Rates:</u>	
From 1 to 150 gallons per month.....	\$1.50
From 150 to 1,000 gallons per month, per gallon.....	.01
Over 1,000 gallons, per month, per gallon.....	.0075

Schedule No. 2

WELL SYSTEM

METERED SERVICE

Applicability:

Applicable to all domestic, commercial and industrial use.

Territory:

In and adjacent to the unincorporated town of Huron, Fresno County, as outlined in red on a map attached to the application herein and made a part of this Order by reference.

Rates:

<u>Monthly Minimum Charge:</u>	<u>Per Meter Per Month</u>
For 5/8 x 3/4-inch meter.....	\$2.00
For 3/4-inch meter.....	2.50
For 1-inch meter.....	3.00
For 1 1/2-inch meter.....	4.00
For 2-inch meter.....	5.00
For 3-inch meter.....	10.00
For 4-inch meter.....	20.00

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

Monthly Quantity Rates:

First 5,000 gallons or less.....	\$2.00
Next 10,000 gallons, per 1,000 gallons.....	.30
Next 15,000 gallons, per 1,000 gallons.....	.25
Over 30,000 gallons, per 1,000 gallons.....	.20

3. That Angelo Mouron, within sixty (60) days from the effective date of this Order, shall submit to this Commission for its approval four sets of rules and regulations governing relations with her 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 her 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.
4. That Angelo Mouron, within sixty (60) days from the effective 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 a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Public Utilities Commission of the State of California.

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

Dated at San Francisco California, this 23rd day of March, 1948.

R. J. [Signature]
Justice J. [Signature]
W. H. [Signature]
Harold P. [Signature]
Wm. [Signature]
 Commissioners.