

Decision No. 41908

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of OSCAR SPANO and ANTHONY J. PASCO, for a Certificate of Public Convenience and Necessity to operate a public utility water system; and to establish rates for water service in the unincorporated area described as Gardenview Subdivision.

ORIGINAL

Application No. 29064.

Thompson & Thompson, by Harold B. Thompson,
for applicants;
Clyde E. Cate, for consumers;
H. M. Norton, for General American Life
Insurance Company;
Homer J. Kinsey, for himself.

O P I N I O N

In this application Oscar Spano and Anthony J. Pasco, doing business as Gardenview Water System, ask the Public Utilities Commission for a certificate of public convenience and necessity to operate a public utility water system, for the purpose of furnishing water service to a 40-acre real estate development known as Gardenview Subdivision, located approximately one mile north of the northerly corporate boundary of the city of Fresno, Fresno County. The Commission is also asked to establish a \$3 flat rate monthly charge for the service rendered.

A public hearing in this proceeding was held at Fresno.

The subdivision that applicants desire to serve is bounded on the north by Dayton Avenue, on the west by Crystal Avenue, on the south by Shields Avenue and on the east by West Avenue, as delineated on a map marked "Gardenview" filed with the application as Exhibit B. The parcel of land has been subdivided into eight blocks containing a total of 160 lots, each having an area of approximately 7,550 square feet. Two of these blocks containing a total of 40 lots are at present undeveloped.

The water system was installed in July, 1947, by Mr. Elmer Cupp, a building contractor, to furnish water service for some 60 new homes being constructed by him in the subdivision. It is reported that at about the time the installation was completed Mr. Cupp became involved in financial difficulties and the water system and other holdings were taken over by the General American Life Insurance Company which was financing the real estate development. The insurance company later entered into an agreement with applicants, who are real estate developers and builders, to complete the unfinished homes in the tract, and recently transferred the ownership of the water system to applicants as part payment for the completion of the new homes.

At the time the system was installed, it consisted of approximately 715 feet of six-inch and 3,020 feet of spiral weld steel pipe paper wrapped and dipped. A well ten inches in diameter and 170 feet in depth and equipped with a 15 h.p. electric driven deep well centrifugal pump automatically pressure controlled and with a rated capacity of 360 gallons per minute, 115-foot head, was installed, together with a 5,000-gallon steel pressure tank. The pumping equipment is located on a lot owned by applicants and is installed at the northwest corner of Fountain Way and Warren Avenue. The completed plans provide for an additional well and pump to be located on the same lot. The proposed standby pump is to be interconnected with the present 5,000-gallon steel pressure tank.

In recent months, at the request of property owners who were obtaining water for their homes from the Gardenview Mutual Water Company, applicants extended their facilities to serve 22 homes located on Fountain Way between West and Warren Avenues formerly served by the mutual system. Service from the utility's new main extension was not immediately available to several mutual customers

until changes could be made in their house pipe connections. In order to provide service to these homes, a temporary pipe line was installed interconnecting the mains of both systems. As the purity of the mutual system supply was questioned by witnesses at the hearing and also because the interconnecting of separate sources of water supply conflicts with the rules of the public health authorities, it is recommended that this cross connection be eliminated as soon as possible.

As no estimates of the cost of the water system were available to engineers of the Commission's staff, a report and appraisal of the estimated cost of the system was prepared and presented at the hearing. The report shows the estimated capital investment to be \$12,658 as of February 12, 1948.

Mr. Oscar P. Spano, one of the owners of the system, testified that since the appraisal was prepared by Commission engineers, 31 additional 3/4-inch services have been installed and a four-inch main extension approximately 625 feet in length made to serve the area formerly served by the mutual system. The additions to the water system increased the total estimated capital investment to \$13,324 as of July 2, 1948.

In this proceeding, applicants request the establishment of a monthly flat rate charge of \$3 for dwelling houses, which includes the right to irrigate a lawn or garden area of not more than 400 square feet, and for each additional 400 square feet or a fraction thereof 50 cents. For a house trailer or tent when used as a dwelling \$1 per month, which amount includes the same garden irrigation charges as shown above. For places of business or any commercial or industrial use a \$5 monthly charge is requested. This charge also includes the same proposed garden irrigation charges as requested for domestic dwellings.

At the hearing, applicants requested that the application be amended to include meter rates.

No other public utility water system serves this territory and no one appeared at the hearing to protest granting of the certificate or the establishment of the requested rates. Under the circumstances, the authority sought will be granted. The rates established in the following Order are somewhat lower than requested but should be sufficient to yield a satisfactory return on the operations. This schedule of rates compares favorably with the rates of similar utilities operating in the general vicinity under similar conditions.

The certificate of public convenience and necessity granted herein is subject to the following provisions 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 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, Oscar Spano and Anthony J. Pasco, co-partners, doing business under the fictitious name of Gardenview Water System, to operate a public utility water system in a subdivided area known as Gardenview Subdivision, located approximately one mile north of the north boundaries of the city of Fresno, Fresno County, said area

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being more particularly delineated upon a map of Gardenview Subdivision attached to the application herein, 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 Oscar Spano and Anthony J. Pasco, co-partners, doing business as Gardenview Water System, to operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.
2. That Oscar Spano and Anthony J. Pasco, co-partners, doing business as Gardenview Water System, be and are hereby authorized and directed to file in quadruplicate with this Commission, within fifteen (15) 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 their customers on and after the first day of September, 1948, which rates are hereby found to be just and reasonable for the service to be rendered.

Schedule No. 1

FLAT RATE SERVICE

APPLICABILITY

Applicable to all domestic, commercial and industrial use of water.

TERRITORY

In the area known as Gardenview subdivision, located approximately one mile north of the north boundaries of the city of Fresno, Fresno County, and bounded on the north by Dayton Avenue, on the east by West Avenue, on the south by Shields Avenue, and on the west by Crystal Avenue.

RATES

Per Month

For each 3/4-inch service located on a single lot	\$2.50
For each 1-inch service located on a single lot	\$3.25

Schedule No. 2

MONTHLY METER SERVICE

APPLICABILITY

Applicable to all domestic and commercial use of water.

Schedule No. 2
MONTHLY METER SERVICE

TERRITORY

In the unincorporated area known as Gardenview subdivision, located approximately one mile north of the north boundaries of the city of Fresno, Fresno County, bounded on the north by Dayton Avenue, on the east by West Avenue, on the south by Shields Avenue, and on the west by Crystal Avenue.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Minimum Charge:	
For 5/8 x 3/4-inch meter	\$1.50
For 3/4-inch meter	2.50
For 1-inch meter	3.00
For 2-inch meter	6.00

The monthly minimum charge will entitle the consumer to that amount of water that the monthly minimum charge will purchase at the following quantity rates:

Monthly Quantity Rates:

First 1,600 cubic feet, or less	\$1.50
Next 3,400 cubic feet, per 100 cubic feet	.15
Next 6,000 cubic feet, per 100 cubic feet	.12
Over 10,000 cubic feet, per 100 cubic feet	.10

SPECIAL CONDITIONS

A meter may be installed at the option of either the utility or the customer. When service is changed from flat to meter rates, at the customer's written request, such service must be continued for not less than 12 months before it may again be changed to flat rates.

3. That Oscar Spano and Anthony J. Pasco, co-partners, doing business as Gardenview Water System, within forty (40) 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 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 area of service and the location thereof, with reference to the surrounding territory; provided, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as final and conclusive determination or establishment of the dedicated area of service, or any portion thereof.
4. That Oscar Spano and Anthony J. Pasco, co-partners, doing business as Gardenview Water System, 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 the 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 27th day of July, 1948.

R. F. [Signature]
Justice F. [Signature]
Chas. [Signature]
Harold P. [Signature]

Commissioners.