

Decision No. 42702**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF  
JOHN FERNANDEZ FOR A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY TO  
OPERATE A WATER SYSTEM FOR THE  
FURNISHING OF WATER TO THE PUBLIC  
IN THE AREA HEREINAFTER DESCRIBED,  
AND TO ESTABLISH WATER RATES.

Application No. 29930

Joseph E. Spink, for applicant.O P I N I O N

John Fernandez, by the above-entitled application, requests a certificate of public convenience and necessity authorizing him to construct, operate, and maintain a public utility water system to serve the Freeport Manor Unit No. 2 tract in Sacramento County, California, and a few adjacent lots in the Victory Acres Subdivision. The Freeport Manor No. 2 tract will include 181 single dwelling units when completely developed, and at present there are 25 of these homes under construction, the rest to be completed within two years. Applicant plans to install a water supply system comprising a well, pump, motor, pressure tank, mains, and service connections for the distribution of water in said Freeport Manor Unit No. 2 and to serve an area adjacent thereto. Applicant will do business under the firm name and style of Freeport Water Company. A proposed set of flat and optional meter rates is contained in the application.

A public hearing in this proceeding was held before Examiner Edwards on March 11, 1949 at Sacramento, California.

Norman J. Fernandez, son of John Fernandez, appeared at the hearing as the applicant's witness. He is the manager of this subdivision and testified that his father has developed other tracts, but

this is the first development in which he is the owner of the water system. The water system is being constructed in accordance with the plans provided by Joseph E. Spink, a consulting engineer, and will be installed and maintained by the firm of Luppen and Hawley Inc., contractors. Mr. Fernandez testified that the City of Sacramento would not extend its water system to serve this area; therefore, it was necessary to provide a water system to meet the requirements of the real estate board.

The applicant is requesting water rates similar to those in effect on the Suttersville Park Water Company, serving a nearby area. Applicant's completed system will not be fully utilized until more homes are built, but Mr. Fernandez testified that he did not expect a full return on the invested capital during the developmental stage, and therefore did not ask for a higher level of rates. Flat rates of \$2 per month for residential service plus an irrigation charge of two cents per 100 square feet in excess of 3,000 square feet per lot is proposed. Applicant also proposes meter rates varying from \$1.75 to \$3.25 minimum charge with quantity rates that vary from 17.5 cents down to ten cents per 100 cubic feet. He does not propose to render any service at other than flat rates now because the development is expected to be primarily residential. In the future some commercial development is expected, so the applicant requests that a proviso be put into the rates which will enable the utility to charge flat rates for these large users, such rates to be determined by water use as measured by meter or estimated and applied to the requested meter rates, thus saving the capital investment occasioned by permanent installation of meters.

At the time of the hearing, the applicant did not have information as to the purity of the water. The system will be

sterilized when completed and samples will be sent to the Board of Health for bacterial and chemical analyses. The applicant will not render service until the water is certified as being fit for human consumption.

Water mains have been installed along the rear property lines and across the streets within the subdivision. Applicant intends to apply to the County of Sacramento for a franchise. Before applicant may exercise the rights granted by any franchise, it will be necessary for applicant to obtain Commission authorization for the exercise of such rights.

The source of supply is a 12-inch well, 200 feet deep, located on a lot at the center of the tract with a pump rated at 750 gallons per minute and driven by a 50 hp motor. Thirteen fire hydrants at strategic locations are being installed. The system consists primarily of eight-inch and six-inch pipe with some four-inch and two-inch pipe at extremities of the system. The system is being installed in accordance with the plan attached to the application and marked Exhibit A.

Mr. Fernandez stated that the water system has been paid for by John Fernandez and the Sierra Builders Inc. A Commission staff engineer found it cost \$29,363.12 and the annual depreciation is \$520.06 by the 5% sinking fund method. There are no loans outstanding against the water system. He also stated that there was no other water utility serving this area. To the north of this area there is a tract owned by James Jensen which does not have utility service; therefore, it may be desirable to extend this system in the future. Applicant agreed to file with this Commission copies of the certificate from the Health Department.

At the hearing on the instant application no person appeared to object to the granting of this certificate. The evidence indicates

that John Fernandez has the financial means to install, operate and maintain a first class water system and furnish satisfactory water service during the developmental stage of this tract and after the units are all completed. Under the circumstances, a certificate will be granted and the requested schedule of rates will be established by the order that follows.

The certificate of public convenience and necessity herein-after granted is subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

O R D E R

The above-entitled application having been considered, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the construction and operation of a public utility water system by John Fernandez, doing business as Freeport Water Company, in and in the vicinity of a subdivision known as Freeport Manor Unit No. 2, located approximately 1½ miles southerly from the south city limits of the City of Sacramento, Sacramento County, in the area set forth on a map marked Exhibit A of the application; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to John Fernandez, doing business as Freeport Water Company, to construct, operate and maintain a public

utility for the distribution and sale of water within the territory hereinbefore described.

John Fernandez is ordered as follows:

1. To file four copies of rates set forth in Exhibit A attached to this order, in accordance with the requirements of General Order No. 96, such rates to be effective on or before the date service is rendered to the public, together with four copies of rules and regulations and tariff service area map drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon by distinctive markings the boundaries of the present service area and the location thereof with respect to immediate surrounding territory; provided, however, that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
2. Applicant shall within thirty (30) days after completion of the system notify the Commission in writing of such completion.
3. Applicant shall within thirty (30) days after the system is placed in operation file four copies of a comprehensive map, drawn to an indicated scale of not less than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the location of the various properties of applicant.

The authorization herein granted shall lapse if not exercised within one (1) year from the date hereof.

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

Dated at San Francisco, California this 12<sup>th</sup> day  
of April, 1949.

R. E. Dwyer  
Justus F. Cramer  
Harold P. Kula

Samuel H. Patton  
Commissioners.

Schedule No. 1

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all unmeasured water service.

TERRITORY

In and adjacent to the subdivision known as Freeport Manor No. 2, located approximately 1½ miles south of the city of Sacramento, in Sacramento County.

RATES

	<u>Per Month</u>
For each residence, including reasonable and necessary quantities of water for an irrigated area of not over 3,000 square feet of lawns, gardens, shrubbery and trees . . . .	\$2.00
For each residential establishment; for all irrigated area in excess of 3,000 square feet, payable during the six months of May to October, inclusive, per 100 square feet . . . .	.02

SPECIAL CONDITIONS

For commercial or large users, the flat rate will be determined by water use as measured by meter or estimated and applied to the meter rates set forth under Schedule No. 2.

Schedule No. 2

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

In and adjacent to the subdivision known as Freeport Manor No. 2, located approximately  $1\frac{1}{2}$  miles south of the city of Sacramento, in Sacramento County.

RATES

Quantity Rates:

		Per Meter Per Month
First	800 cubic feet, or less . . . . .	\$1.75
Next	1,200 cubic feet, per 100 cubic feet . . .	.175
Next	3,000 cubic feet, per 100 cubic feet . . .	.15
Next	5,000 cubic feet, per 100 cubic feet . . .	.12
Over	10,000 cubic feet, per 100 cubic feet . . .	.10

Minimum Charge:

For	$5/8 \times 3/4$ -inch meter . . . . .	1.75
For	$3/4$ -inch meter . . . . .	2.25
For	1-inch meter . . . . .	3.25
For	$1\frac{1}{2}$ -inch meter . . . . .	5.00

The Minimum Charge will entitle the customer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.