

Decision No. 42875

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF
JOSEPH A. MOORE and ARLIE S. MOORE,
HIS WIFE, FOR AN ORDER OR CERTIFICATE
AUTHORIZING APPLICANTS TO INCLUDE
ADDITIONAL LAND TO THEIR PRESENT WATER
SYSTEM NOW BEING OPERATED ON CERTAIN
TRACTS OF LAND NEAR THE CITY OF MODESTO,
COUNTY OF STANISLAUS, STATE OF
CALIFORNIA, UNDER CERTIFICATES OF
CONVENIENCE NOS. 37967 and 40163,
ISSUED BY THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA ON JUNE 5, 1945,
and APRIL 15, 1947.

Application No. 29997

ORIGINAL

T. B. Scott for applicants.O P I N I O N

Joseph A. and Arlie S. Moore, by the above-entitled application, request a certificate of public convenience and necessity authorizing them to extend their present water system located immediately south of the City of Modesto to the Rouse Colony Tract, Sunset Acres Tract, and First Addition to the Sunset Acres Tract in Stanislaus County, California. These tracts comprise about 180 acres of new territory with some 30 to 40 houses under construction or just completed. A map of this additional territory is attached to the application and marked Exhibit A. The new territory is directly east of the present service area.

A public hearing in this proceeding was held before Examiner Edwards on April 22, 1949, at Modesto, California. At the hearing, applicants requested that the service area map, Exhibit A, be amended to cover a portion of Rouse Colony Tract lying north of Graham Acres, south of Rouse Avenue, east of Franklin Avenue, and west of Colorado

Avenue, comprising approximately 20 acres. The territory south of this area was certificated by Decision No. 37967, Application No. 24759, on June 5, 1945. The 40 acres immediately to the north was covered by Decision No. 40163, Application No. 28177, dated April 15, 1947. This intervening area was not included in these previous decisions, but applicants' map incorrectly showed this section as within the present service area of the utility.

By resolution of the County of Stanislaus, Board of Supervisors, dated January 12, 1948, applicants obtained permission to maintain pipe lines upon and across public roads in this section not heretofore covered by the previous franchise granted June 25, 1945. Together these franchises cover an area south of the City of Modesto, north and west of the Tuolumne River and east of Franklin Street, except on property owned by the City of Modesto. This franchise area is greater than that for which a certificate is requested herein. The Moores are not requesting at this time permission to extend their lines out to the undeveloped area adjacent to the river.

Applicants plan to install between 2,500 and 3,000 feet of four-inch water mains, a well, 10 hp pump, and a 2,500-gallon pressure tank to serve this area. The present wells and the new well will be interconnected to form a common system. The estimated cost of the new facilities is as follows:

Pipe lines	\$3,000.00
Well	1,500.00
Pressure tank (2,500 gal.)	1,199.62
Paint for tank	50.00
Pump 10 hp (Peerless)	1,363.43
Total	<u>7,113.05</u>

Mr. Moore testified that the cost of this new equipment will be financed from personal funds and no money is to be borrowed for this purpose. He has received an advance deposit of \$1.50 per foot of main from the subdividers of these tracts to cover the cost of the pipe

extensions. Mr. Moore would like to refund these advance deposits at the rate of 35% of the gross annual revenue received from the sale of water in the subdivisions for which deposits have been received, and asks permission to adopt an extension rule with such a 35% refund clause. The witness when asked as to what the annual operating expenses will be, stated that he had made no estimates, other than that the power bill will be approximately \$600. Likewise, no estimate of annual depreciation charge or rate of return on investment was made. Mr. Moore testified that he did not expect more than a small return, if any, during the developmental stage, at least not until approximately 100 customers are being served in the new area.

With regard to rates, Mr. Moore requested that the same level of rates be set as proposed in Application No. 29998^{1/} now pending before the Commission. Applicants desire to operate under a uniform set of rates, rules and regulations covering all of their operations south of Modesto.

Applicants were requested to have a test made of the water from the new well to determine its potability. A report furnished by County of Stanislaus, Department of Health, on May 4, 1949, indicated the water was found free of contamination as of such date. Applicants also were requested to investigate and later report on the necessity of obtaining a permit from the State Board of Health on this new well. Their reply to the request was that application is being made for a permit under the California Pure Water Law, Division 5, Part 1, Chapter 7, Sections 4010-4038 of the California Health and Safety Code.

The costs to be incurred by applicant in obtaining this certificate and the county franchise are estimated to be \$200 including

^{1/} Application No. 29998 requests authority to increase water rates on the present Joseph A. Moore Water Company System.

attorney's fees. Fifty dollars of this amount was paid to the state as an application fee. No annual payment is required by the terms of the franchise. The applicants have stipulated that they, their successors or assigns, will never claim before the Commission or before any court or public body any value for this certificate in excess of the actual cost thereof.

At the hearing on the instant application, no person appeared to object to the granting of this certificate. The evidence indicates that the Moores have the financial means to install, operate, and maintain a first class water system and furnish satisfactory water service in this new section. The record shows that no other utility is rendering water service in this area. Under the circumstances, a certificate will be granted and uniform rates will be established by the order that follows.

The certificate of public convenience and necessity hereinafter 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 require and will require the extension of a public utility water system by Joseph A. and Arlie S. Moore in Stanislaus County,

in the area set forth in a map marked Exhibit A (as amended) attached to the application; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Joseph A. and Arlie S. Moore to extend and operate their public utility system for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED that applicants shall:

1. Distribute and sell water in this territory at the rates and under the rules and regulations now on file with this Commission pursuant to Decision No. 37967 and pursuant to requirements of General Order No. 96, subject to such changes as may be prescribed by the Commission in Application No. 29998 now pending before it.
2. Revise their tariff service area map to include this new territory and refile same in accordance with the requirements of General Order No. 96.
3. Notify this Commission in writing of the completion of the extension for which this certificate is granted within thirty (30) days following such completion.
4. Within thirty (30) days after the complete extension is placed in operation, file four copies of a comprehensive map, drawn to an indicated scale of not greater than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the location and size of the various facilities of applicants as finally installed.
5. Within thirty (30) days file an appropriate extension rule, in accordance with the requirements of General Order No. 96, which will provide for refunds of advances for main extensions to serve subdivisions on the basis of 35% of the gross revenue from sale of water on such extensions.

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

Dated at San Francisco, California, this 17th day of May, 1949:

R. T. Anderson
Arthur J. Cramer
W. H. Kewell

Commissioners.