

Decision No. 43738

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of M. F. PHILLIPS and ARA PHILLIPS
for a certificate of Public
Convenience and Necessity to Operate
a Water Public Utility.

Application No. 29484

N. F. Bradley for applicants, Adolph Lavin
for Alberto Martinez, a customer.

SUPPLEMENTAL OPINION

M. F. Phillips and Ara Phillips, his wife, on June 16, 1949, filed their first supplemental application in this proceeding, wherein they ask this Commission for a certificate of public convenience and necessity to operate a water system for domestic, commercial, and irrigation purposes in Tract 114, which is a portion of Block C of Earlimart Fruit and Alfalfa Colony No. 3 and is located adjacent to the northern boundary of the unincorporated community of Earlimart in Tulare County. A copy of "Encroachment Application and Permit" No. 429 issued by the County of Tulare on June 25, 1948, permitting applicants to lay certain water mains and services in Tract No. 114, was filed with the original application.

The Commission by its Decision No. 42102, dated October 5, 1948, denied the original application without prejudice on the basis of inadequacy of facilities to render satisfactory service, which deficiencies were specified in the opinion. The supplemental application alleged that these deficiencies had been eliminated.

A public hearing on the supplemental application was held before Examiner Ross at Delano on October 25, 1949.

A general description of the water system as it existed at the time of the first hearing is contained in Decision No. 42102 and will not be repeated here. Subsequent to the hearing on the original application on August 20, 1948, applicants lowered the previously elevated 2,000-gallon tank to the ground level for use as a sump or settling basin and reconditioned the original 10 hp deep well turbine pump which discharges into it. A satisfactory covering for the 2,000-gallon tank was provided. A three hp vertical turbine pump was installed drawing from the sump and discharging into a new 1,000-gallon pressure tank connected to the distribution system. In addition, certain new mains were installed bringing the total to approximately 2,300 feet of 2-inch pipe.

Testifying as to the adequacy of the facilities as found on his October 24, 1949 inspection, Ed F. Catey, one of the Commission's engineers, indicated that conditions were much improved since the previous hearing, but that the three hp vertical turbine pump was inadequate in capacity and should be replaced with at least a 7½ hp pump, which capacity he had specifically recommended at the 1948 hearing. He further stated that he had observed that the pressure tank was being operated with an insufficient cushion of air, resulting in excessive frequency of on and off cycles of pump operation. It was noted that there was no provision for replenishing the tank's supply of air, which is gradually absorbed by the water, nor was there a gauge glass to indicate the quantity of air in the tank at any time. He also testified that the interconnection of two dead-end mains on State Street which he had previously recommended had not been accomplished. It was ascertained that certain of applicant's mains are located in private property paralleling a public street, and the engineer strongly urged that these mains be relocated in the street in the near future, although not necessarily before the granting of the certificate, indicating it was his opinion that such cost of relocation should not be charged to capital.

It was pointed out that the three hp vertical turbine pump was a type not designed for the purpose and was unnecessarily expensive for this operation. It was the Commission engineer's opinion that a more appropriate horizontal pump of the 7½ hp capacity needed would not have cost materially more than the undersized special-purpose three hp unit. He indicated that he could not recommend favorable action by the Commission on applicants' request for a certificate with the facilities as found on his October 24, 1949 inspection.

It was provided at the hearing that the submission of this matter would be set aside for a period of not more than 60 days after the hearing, within which period applicants would be afforded an opportunity to make the improvements recommended by the Commission engineer and allow for an inspection and report by the latter, to be a part of this record. An additional ten days was allowed for replies by the interested parties to the report of the engineer, copies of which were to be mailed to them within the 60-day period.

Pursuant to the above provision, the engineer's report was filed on December 23, 1949, within the 60-day period, and copies were mailed to the interested parties from whom no replies were received.

The engineer's report states that the necessary improvements were completed by the time of his inspection on December 20, 1949 and, accordingly, the physical facilities no longer provide a basis for a recommendation by him that the Commission deny the request for a certificate.

This favorable report by the Commission engineer eliminates the basis for denial of the certificate in Decision No. 42102, and it is concluded that the certificate requested should now be granted.

The record in this proceeding indicates that this system will serve approximately 30 customers, including at present one garage, one restaurant and one service station, at an average annual expense of

\$700. The rate base applicable to this utility's operations is approximately \$5,400. Under the rates proposed by applicant, it appears that an excessive rate of return would result, and it is concluded that rates should be ordered which will produce an annual gross revenue of \$1,050, giving a rate of return of approximately 6½% on the invested capital.

The flat rates to be ordered reflect a level of charges lower than requested by applicants and provide for a more liberal area to be irrigated under the \$2.50 monthly charge, which will make the rate structure more nearly conform to the rates of other utilities which have been in operation for a longer period of time in this general territory. To provide relief from the inequities possible under flat rates, a schedule of alternate meter rates is to be ordered.

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 the permit involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such permit 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 permit, certificate of public convenience and necessity or right.

SUPPLEMENTAL ORDER

The above-entitled application having been considered, and public hearings 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 operation of a public utility water system by M. F. Phillips and Ara Phillips in a subdivided tract known as Tract No. 114, which is a portion of Block C of Earlimart Tract and Alfalfa Colony No. 3 in Tulare County; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to M. F. Phillips and Ara Phillips to operate a public utility water system for the distribution and sale of water within the territory hereinbefore described, and said applicants be and they are authorized to exercise the right, privilege, and permit granted by the Board of Supervisors of the County of Tulare by its Encroachment Application and Permit No. 429, dated June 25, 1948.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File rates set forth in Exhibit A attached to this order, to be effective on and after March 1, 1950, together with rules and regulations and tariff service map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. File within forty (40) days after the effective date of this order, 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 effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 24th day of January, 1950.

R. F. Anderson
Justice F. Green
Harold P. Kule
Herbert H. (Pettit)
Commissioners.

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

In and about the subdivision known as Tract 114, Earlimart Fruit and Alfalfa Colony No. 3, at the northern end of the unincorporated town of Earlimart, Tulare County.

RATES

Quantity Rate:		Per Meter Per Month
First	500 cubic feet, or less.	\$2.00
Next	1,000 cubic feet, per 100 cubic feet . .	.30
Next	2,000 cubic feet, per 100 cubic feet . .	.20
Over	3,500 cubic feet, per 100 cubic feet . .	.10

Minimum Charge:

For	5/8 x 3/4-inch meter.	2.00
For	3/4-inch meter.	2.60
For	1-inch meter.	4.10
For	1 1/2-inch meter.	7.00
For	2-inch meter.	10.00

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

Schedule No. 2

GENERAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all flat rate water service.

TERRITORY

In and about the subdivision known as Tract 114, Earlimart Fruit and Alfalfa Colony No. 3, at the northern end of the unincorporated town of Earlimart, Tulare County.

RATESPer Month

For single-family dwelling, including the irrigation of 2,500 square feet of garden.	\$2.50
For each additional single-family dwelling on the same premises or each additional dwelling unit in duplex or multiple unit residences, served through the same service connection, including no additional irrigation.	1.50
For each temporary dwelling, house trailer or tent, including no irrigation.	1.50
For each noncirculating water cooler, during months used50
For each circulating water cooler, during months used.25
Stores.	3.00
Garages	3.50
Restaurants	6.00
Service Stations.	8.00
For area irrigated, not included in above rates, during months of May to October, inclusive, per 100 square feet06

SPECIAL CONDITION

In case of disagreement over the application of these flat rates, or if either the utility or the customer so desires, a meter will be set and Schedule No. 1 applied.