

Decision No. 44979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF APPLICATION OF
CORA B. HARDING, for a certificate
of public convenience and necessity
to operate a public utility water
system; and to establish rates for
a water service in "LAKESIDE LODGE"
Subdivision lying between Highway 50
and the southern portion of Lake Tahoe,
one mile north of Bijou, in the County
of El Dorado, State of California, and
a limited area adjacent thereto.

Application No. 31700

Cora B. Harding, as applicant; G. A. Hughes,
for Louis Bartlett, an interested party,
Mrs. G. F. Milliman, interested party; Mrs. E.
Worland, interested party.

O P I N I O N

Cora B. Harding, in the above-entitled application, filed August 24, 1950, asks the Commission for an order granting a certificate of public convenience and necessity to operate a water system within Lakeside Subdivision, at the south end of Lake Tahoe, about one mile north of Bijou, in El Dorado County, California; and to charge the rates set forth in the application.

A public hearing in this proceeding was held before Commissioner Craemer and Examiner Emerson at Bijou on October 5, 1950.

The Lakeside Lodge Subdivision consists of 75 lots, 19 of which are now built upon and receive water service. Also served are three residences immediately adjacent to the tract. In addition, eight fire hydrants are now installed within the tract. Distribution mains consist of 2,455 feet of 6-inch and 1,710 feet of 4-inch pipe fed from a 1,500-gallon pressure tank which maintains the water pressure between the limits of 40 psi and 60 psi. The source of

water is a 12-inch drilled well, 108 feet deep, pumped by a turbine pump, direct-connected to a 15 hp electric motor, that is estimated to produce approximately 400 g.p.m.

In addition to those water services established within the tract, seven commercial establishments located along the east side of the state highway outside of the tract and the area for which a certificate has been requested, are being supplied water through customer-owned lines which have been brought to the boundaries of the tract. Applicant, at the hearing, declared that service to such customers was one of accommodation only since they had been disconnected from another private water source. It was further declared that the only water that applicant would have for their use would be such surplus water as might be available after the customers within the Lakeside Lodge Subdivision were fully served. Applicant, therefore, is not dedicating her water system to serve any of the public located outside the boundaries of said subdivision. The record in this proceeding shows that such accommodation service has been supplied for a considerable period without any charge therefor and that applicant desires that a rate be established for such service.

Applicant's proposed schedule of flat rates provides for a basic charge of \$25 for five summer months' service to a premises supplied through a 3/4-inch service connection, and \$45 for all year service to the same class of premises. The proposed meter schedules also provide for seasonal and annual charges. A seasonal minimum charge of \$25 is suggested, covering five summer months' service, with an allowance of 800 cubic feet per month. The charges for excess use are reduced through five brackets to 10 cents per 100 cubic feet for quantities over 10,000 cubic feet. The metered schedule for 12 months' service provides for a minimum annual charge of \$42 with a monthly allowance of 700 cubic feet. The charges for use in

excess of the monthly minimum are reduced through four brackets to 10 cents per 100 cubic feet for quantities over 10,000 cubic feet.

It was developed at the hearing that the land on which the well, pump, and tank are located had a market value of \$500 before installation of such facilities. An exhibit submitted by an engineer on the Commission staff indicates the cost of the system, exclusive of land, as of September 27, 1950 to be as follows:

Buildings	\$ 1,600
Well	1,218
Pumping Equipment	1,684
Mains	5,532
Tank	<u>400</u>
Total	10,434

The system has been financed on a cash basis and is composed wholly of new facilities.

Future annual revenues based upon the rates proposed by applicant and assuming that all customers are flat rate seasonal users, were estimated by the Commission engineer to be \$925 a year. Likewise, operating expenses are indicated to be \$952 yearly, including a depreciation expense based upon a straight-line depreciation of the above tabulated system cost. If such revenues and expenses are realized, the system will obviously operate at a loss. Future development of the tract must occur before water operations may be profitable.

Applicant has obtained permission from the supervisors of El Dorado County to enter into or under or across county roads for the purpose of constructing or repairing any of its water mains and has stated that no franchise or other permit is necessary in order to operate a water utility in the area.

The rates proposed by applicant were not objected to by persons within the tract but occasioned objection and questioning by several of those commercial users outside the dedicated service area who have been receiving accommodation service. These latter customers

have jointly installed approximately 3,300 feet of 4-inch main across and along the state highway from a point in Park Avenue 5 feet east of the property line of lot No. 75 of the Lakeside Lodge Subdivision to a point within approximately 2 feet of the California-Nevada state line. This customer-owned line serves four motels, a riding stable, a market, and fire hydrant service only to one other party. It is the contention of these water users that a lesser rate should be provided for them because they have constructed and now own the main from the tract to their places of business and, further, because a continual and full supply is not guaranteed to them. Such customer-owned main may be likened to the house line of a residence which the owner must run to the property line where it is then connected to the utility's service pipe. From such a comparison, it appears just and reasonable that the rates for water used should be the same for those within and without the tract. From the record in this proceeding, it appears that no curtailment of water supply has occurred nor, from a practical standpoint, is it likely to occur in the foreseeable future. Recognition must be given, however, to its possibility in view of applicant's emphatic declaration that purchasers of lots within the tract have been promised an adequate supply of water and, therefore, must have first call upon the water system. The rates to be authorized herein will be based upon due recognition of the respective demands of those within and without the tract, and the entire rate structure will be designed to spread the charges more equitably amongst the users.

No other public utility water system operates in or adjacent to the subdivision asked to be certificated and no protests or objections have been made relative thereto. Under the circumstances, it appears that public convenience and necessity require

and will require that applicant be granted a certificate in the area requested. The certificate of public convenience and necessity herein issued 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

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 construction and operation of a public utility water system by Cora B. Harding in Lakeside Lodge at the south end of Lake Tahoe in El Dorado County, California; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Cora B. Harding to construct and operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File the rates set forth in Exhibit A attached to this order, to be effective on or before December 1, 1950, together with rules and regulations and tariff service area map, acceptable to this Commission, in accordance with the requirements of General Order No. 96.
2. File, within sixty (60) days after the date of this order, four copies of a comprehensive map, drawn to an indicated scale of 400 feet to the inch, delineating by appropriate markings the land and territory served and the location of the various properties of applicant.

The authorization herein granted will 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 8th day of November, 1950.

R. Z. Anderson
Justin J. Caswell
Frank Powell
Harold Huls
Thomas H. Patten
Commissioners.

Schedule No. 1

FLAT RATES

SEASONAL BASIS

APPLICABILITY

Applicable to all domestic, commercial, and industrial water service furnished at flat rates.

TERRITORY

Within the Lakeside Lodge Subdivision and the area contiguous thereto.

RATES

Seasonal Charges Payable in Advance

	<u>Summer Season</u> <u>5-1 to 10-31, Incl.</u>
	<u>Winter Season</u> <u>11-1 to 4-30, Incl.</u>
One-Family Dwelling	\$ 30.00
Two-Family Dwelling	55.00
Hotels, Apartments, or Motels - First Room or Unit, Including Toilet, Shower, Lavatory, and Sink	30.00
Each Additional Unit with Toilet, Shower, Lavatory, and Sink	25.00
Each Additional Unit with Toilet, Shower, Lavatory	20.00
Each Additional Unit Without Plumbing	10.00
Each Utility Building or Public Lavatory	20.00
Irrigation of Lawn, Shrubs, Garden, or Trees For the Summer Season per 1,000 Square Feet of Irrigated Area	3.00

SPECIAL CONDITIONS

1. All water service not covered by the above flat rates shall be supplied on a measured basis.
2. Meters may be installed at option of utility or customers for above classifications, in which event, service will thereafter be rendered only on the basis of Schedule No. 2, Metered Service. When customer desires to change from flat to metered service, request must be made in writing.

Schedule No. 2

METERED SERVICE

SEASONAL BASIS

APPLICABILITY

Applicable to all domestic, commercial, and industrial water service furnished at metered rates.

TERRITORY

Within the Lakeside Lodge Subdivision and the area contiguous thereto.

RATES

Seasonal minimum charge payable in advance:

Seasonal Minimum Charge

	<u>Per Meter Per Season</u>
	<u>Summer Season</u>
	<u>5/1 to 10/31, Incl.</u>
	<u>Winter Season</u>
	<u>11/1 to 4/30, Incl.</u>
For 5/8 x 3/4-inch meter	\$ 24.00
For 3/4-inch meter	30.00
For 1-inch meter	54.00
For 1 1/2-inch meter	90.00
For 2-inch meter	180.00

The Seasonal Minimum Charge will entitle the customer to that quantity of water which one-sixth (1/6) of the seasonal minimum charge will purchase at the following Quantity Rates:

Quantity Rates

	<u>Per Meter Per Season</u>
	<u>Summer Season</u>
	<u>Winter Season</u>
First 800 cubic feet, or less	\$4.00
Next 1,200 cubic feet, per 100 cu. ft.40
Next 3,000 cubic feet, per 100 cu. ft.30
Next 5,000 cubic feet, per 100 cu. ft.20
All over 1,000 cubic feet, per 100 cu. ft.15

Schedule No. 3

FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all water service furnished to fire hydrants installed and owned by the Company within Lakeside Lodge Subdivision.

RATES

	<u>Per Month</u>
For each 2 x 1 $\frac{1}{2}$ -inch hydrant on 4-inch main	\$2.00
For each 2 x 1 $\frac{1}{2}$ -inch hydrant on 6-inch main	3.00

SPECIAL CONDITIONS

Private fire hydrant service may be rendered to individuals residing outside the tract under special agreement.