

Decision No. 45055**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
H. L. SAGE and W. L. SAGE for a
certificate of public convenience
and necessity for construction of
water system.

Application No. 31358

W. L. Sage, in propria persona, for applicants.O P I N I O N

H. L. Sage and W. L. Sage herein request a certificate of public convenience and necessity to construct and operate a public utility water system in and in the vicinity of the unincorporated community of South Shafter, Kern County, and to have established a schedule of rates for the service to be rendered.

A public hearing was held on July 6, 1950, before Examiner Gillard at Shafter. No public utility supplies water to the area comprising 92 acres, more or less, herein proposed to be served, and at the hearing no objections were raised to the granting of the requested certificate.

Applicants own a well site within the service area and propose to sink a 10-inch well, 250 feet deep, and install a 6-inch pressure pump with a 15 hp electric motor, and a 1,900-gallon pressure storage tank. One thousand feet of 5-inch and 1,000 feet of 4-inch steel pipe will be laid for mains, and 3,000 feet of 2- and 2½-inch laterals will be connected thereto. The well with the proposed equipment will produce 1,500 gallons per minute.

It is estimated by applicants that it will cost \$13,900 to install the system, and \$600 per month to operate it upon future completed development of the service area. Applicant proposes a flat

rate of \$2.50 per month for each residence and business and \$1 per month for each court cabin.

W. L. Sage testified that the Kern County health officer has requested applicants to install the system because the present individual and private wells are inadequate and subject to surface contamination and pollution. Twenty-eight persons from the service area appeared at the hearing and all indicated a desire that applicants supply them with water. A total of 125 prospective consumers can be served as soon as water is available. No objection was made to the proposed rates.

Applicants possess enough liquid capital to finance most of the installation cost of the system and sufficient personal property to secure any loan needed to make up the difference.

It is concluded that a certificate of public convenience and necessity as requested by applicants should be granted and the order will so provide. The certificate of public convenience and necessity issued herein 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.

From the evidence, it appears that the present water supplies from local individual wells have created a serious menace to the health and welfare of this community. Through cooperation with Kern County health officials, local business interests, and residents, applicants have agreed to construct and operate a water system which will provide an adequate and safe water service and eliminate present serious hazards to health. Prospective consumers are in favor of this solution to the water problem and are willing and able to pay the rates proposed, which rates appear to be just and reasonable under existing

circumstances and conditions. During the initial developmental stage of operations and with the anticipated attachment of consumers, applicant should soon be able to operate without loss. As consumers increase, the rates herein established should provide a net return on operations in the near future.

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 operation of a public utility water system by H. L. Sage and W. L. Sage in the area described as follows:

The area around and including the unincorporated community of South Shafter, Kern County, being within Sections 21 and 22, T28S, R25E, MDB&M, and described as follows:

Beginning at a point in the center line of Orange Avenue, distant thereon 800 feet easterly of the intersection of Shafter Avenue and said Orange Avenue; thence northerly and parallel to Shafter Avenue, a distance of 1,000 feet; thence at right angles westerly and parallel to Orange Avenue, a distance of 2,200 feet; thence at right angles southerly and parallel to Shafter Avenue, a distance of 1,774 feet; thence at right angles easterly and parallel to Orange Avenue, a distance of 2,200 feet; thence at right angles northerly and parallel to Shafter Avenue, a distance of 774 feet to the point of commencement.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to H. L. Sage and W. L. Sage 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 applicants shall:

1. File rates set forth in Exhibit A attached to this order, to be effective on or before the date service is rendered to the public, together with rules and regulations and tariff area service map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. Notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty (30) days thereafter.
3. File, within forty (40) days after the system is placed in operation, four copies of a comprehensive map, drawn to an indicated scale of approximately 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 applicants.

The authorization herein granted will be void 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 28th day of November, 1950.

R. E. Anderson
Justus J. Caldwell
Dean H. ...
Harold P. Kilo
Francis H. Potter
 Commissioners.

Schedule No. 1

FLAT RATE SERVICE

APPLICABILITY:

Applicable to all water service rendered on a flat rate basis.

TERRITORY

Within the area around and including the unincorporated community of South Shafter, Kern County.

RATES

For a connection of 3/4 inch, or less:

Per Month

- | | |
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| 1. For one dwelling, house or single unit, including reasonable and necessary quantities of water for an irrigated area of not over 1,000 square feet of lawns, gardens, shrubbery and trees | \$2.50 |
| 2. For each additional dwelling, house or single unit on same lot taking service through same connection | 1.50 |
| 3. For each restaurant, service station, and laundry | 4.00 |
| 4. For each store or office not included in Item 3 | 2.50 |
| 5. For each first unit of a hotel, motel, auto court, trailer court, including office and utility rooms | 2.50 |
| 6. For each additional unit in Item 5 | 1.00 |
| 7. For irrigation of grounds planted to lawns, gardens, shrubbery and trees in excess of the 1,000 square feet allowed in Item 1, per 100 square feet | .05 |

For a connection of one (1) inch, the above rates will be increased by one-half (1/2).

Schedule No. 2

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water service rendered on a metered basis.

TERRITORY

Within the area around and including the unincorporated community of South Shafter, Kern County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>
First 800 cubic feet, or less	\$2.25
Next 1,200 cubic feet, per 100 cubic feet20
Next 2,000 cubic feet, per 100 cubic feet15
Over 4,000 cubic feet, per 100 cubic feet12
 Minimum Monthly Charge:	
For 5/8 x 3/4-inch meter	2.25
For 3/4-inch meter	3.35
For 1-inch meter	4.50

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