

Decision No. 45191**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF
 LeROY COOK, doing business as Cook's
 Water System, for Certificate of
 Public Convenience and necessity; for
 approval of Rules and Regulations;
 for approval of Rates.

Application No. 31302

Burford and Hubler by Waldo E. Burford for appli-
 cant; Ralph Gunderson for Tulare County Health
 Department, interested party.

O P I N I O N

LeRoy Cook herein requests a certificate of public conven-
 ience and necessity to operate a public utility water system, under the
 name of Cook's Water System, in the unincorporated community of Poplar,
 Tulare County, and to have established a schedule of rates for the
 service rendered.

A public hearing was held in Porterville before Examiner
 Gillard on October 31, 1950, during which no objections were raised to
 the granting of the certificate.

Poplar is located about seven miles west of Porterville and
 has a population of about 750 residents, mostly agricultural workers
 who move in and out of the community in pursuit of their trade.
 Applicant has operated a water system therein since 1947, and at the
 present time is serving about 142 residences and business establish-
 ments. Water is obtained from two wells, both situated on one lot in
 the northwest section of the service area. One is a 10-inch cased well,
 226 feet deep, capable of delivering 300 gallons per minute through a
 Pomona pump operated by a 20 hp motor. The other is a 12-inch cased

well, 500 feet deep, delivering 150 gallons per minute through a Byron-Jackson pump driven by a 10 hp motor. Two pressure tanks of 2,000 and 3,500 gallons, respectively, are equipped to maintain pressure between 20 and 40 pounds per square inch. Water is distributed through 11,700 feet of pipe ranging in size from three-quarters to six inches. There are 260 service connections, although only 142 are in use at the present time.

There is no other water system in Poplar, and there are no privately owned wells supplying water to any part of the proposed service area.

Ralph Gunderson, Chief of the Division of Sanitation, Tulare County Health Department, testified that a test made on October 25, 1950, showed the water to be sanitary and potable. He further stated he has had no complaints from consumers on this system since it has been operated by applicant.

The Commission's engineer estimated applicant's total operative fixed capital to be \$18,209 as of October 31, 1950, with a depreciated rate base of \$17,045 computed by the straight-line method. These figures were accepted by applicant.

Applicant desires to install meters and complete the program as soon as finances warrant. Certain improvements are necessary and applicant desires to drill a new well and install the necessary pump and equipment, lower present pumps and build pump houses for protective purposes. These improvements are estimated to cost \$4,400.

Mr. LeRoy Cook testified that his present rates are \$1.50 per month for each building connection, with an additional charge for lawn and garden irrigation during the months May to October, inclusive, varying from 50 cents to \$2 per month, according to the size of the irrigated area. These rates produced \$3,117 in 1949, and \$2,610 for

the first nine months of 1950. From the evidence, it appears that the reasonable annual expenses, including depreciation, are \$2,555 under present operating practices. With revenues for 1950 estimated to be \$3,467, the net return under present rates will be 5.3% on the depreciated rate base.

Applicant requested flat rates which include a basic charge of \$2 per month per dwelling, including 30 square feet of lawn and garden irrigation, and also a meter rate of \$1.70 per month for the first 10,000 gallons, reduced through four blocks to 7 cents per 1,000 gallons for all water used in excess of 40,000 gallons.

Applicant testified that the proposed rates are designed to produce the same revenue as now received. The evidence, however, shows that the proposed rate should yield an annual revenue of approximately \$3,600, resulting in a net return of 6.1% under existing conditions. The testimony indicates that the rate structure proposed by applicant will require certain modifications to conform to Commission practice and to prevent possible unfair discrimination among consumers. It was agreed that the meter rates should be based upon the cubic foot as a unit of measurement rather than the gallon as formerly proposed by Mr. Cook. The modifications set forth in the rate schedules established in the following order will make no substantial change in the revenue yield.

It is concluded that a certificate of public convenience and necessity should be granted and the order will so provide.

The certificate of public convenience and necessity issued herein shall be subject to the following provisions 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

Public hearing having been hold on the above-entitled application, and based upon the findings and conclusions set forth in the preceding opinion,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the operation of a public utility water system by LeRoy Cook in the area described as follows:

The area around the unincorporated community of Poplar, Tulare County, located at the common intersection of Sections 34 and 35, Township 21 South, Range 26 East, and Sections 2 and 3, Township 22 South, Range 26 East, M.D.B. & M., described as follows:

Beginning at the Northwest corner of Section 2, Township 22 South, Range 26 East, M.D.B. & M.; thence South along the West line of said Section 2, 625 feet; thence East and parallel with the North line of said Section 2, 1320 feet, more or less, to the East line of the Northwest quarter of the Northwest quarter of said Section 2; thence North along the East line of said Northwest quarter of the Northwest quarter 575 feet to the South line of the County Road; thence West along the South line of said County Road 660 feet; thence North 1370 feet to the North line of the Southwest quarter of the Southwest quarter of Section 35, Township 21 South, Range 26 East, M.D.B. & M.; thence West 700 feet to a point 40 feet West of the West line of said Section 35; thence North and parallel to the West line of said Section 35, 1295 feet, more or less, to the South line of Fourth Street as delineated on the map of Tract No. 50, County of Tulare, as recorded in Volume 19 of Maps, Page 96, said Tulare County records; thence West along the said South line of Fourth Street 488 feet to the West line of said Tract No. 50; thence South along the West line of said Tract No. 50 and its extension southerly 2617 feet, more or less, to the South line of Section 34, Township 21 South, Range 26 East, M.D.B. & M.; thence East along the South line of said Section 34, 528 feet, more or less, to the point of beginning, containing 71 acres, more or less, and as delineated on a map marked Exhibit "A" filed in this proceeding and made a part of this order by reference.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to LeRoy Cook, an individual doing business as Cook's Water System, to operate a public utility for the distribution and sale of water, for domestic purposes, within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED that:

1. Rates set forth in Exhibit A attached to this order shall be filed by LeRoy Cook in quadruplicate, in conformity with this Commission's General Order No. 96, within five (5) days after the effective date of this order, to be charged for all water service rendered to its customers on and after the first day of February, 1951.
2. Applicant within forty (40) days from the effective date of this order shall file with this Commission four sets of rules and regulations governing customer relations, each set of which shall contain a suitable map or sketch drawn to an indicated scale upon a sheet 8½x11 inches in size, delineating thereupon by distinctive markings the boundary of applicant's present service area and the location thereof with reference to the 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 portion thereof.
3. Applicant within forty (40) days after the effective date of this order shall 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 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 th 27 day of December, 1950.

P. Z. Indragan
Justice F. Cramer
Dean H. Powell

Herbert Pottal
 Commissioners

Schedule No. 1

MONTHLY FLAT RATESAPPLICABILITY

For all water furnished on a flat rate basis.

TERRITORY

In the unincorporated town of Poplar, Tulare County.

RATES

	<u>Per Service Per Month</u>
1. For each single family residence of five rooms or less, including a garden area of not over 500 square feet	\$2.00
For each additional room25
For each additional dwelling house, including cabins, tents or trailers, on same premises taking water through same connection	1.50
2. For a cabin, tent or trailer used as a residence on a single lot or premises	1.50
3. Sprinkling of lawns, gardens, shrubbery and trees, for all watered area in excess of 500 square feet, payable during the six months of May to October, inclusive:	
First 500 square feet	No charge
Next 4,500 square feet, per 100 square feet	.04
Over 5,000 square feet, per 100 square feet	.02
4. For each water cooler, during months of usage:	
Water circulating type50
Non-circulating type75
5. For each office or shop, according to facilities and use of water	2.00 to 4.00
6. For each cafe, restaurant or service station, according to use of water	3.00 to 6.00
7. For each commercial laundry, according to use of water	5.00 to 10.00
8. For Motels, and trailer parks:	
Manager's residence or apartment	2.50
For each unit or trailer75
Lawn and garden irrigation, in addition as set forth in Paragraph 3 above.	

Schedule No. 2

METERED RATESAPPLICABILITY

For all water furnished on a metered basis.

TERRITORY

In the unincorporated town of Poplar, Tulare County.

RATES

<u>Quantity Rates:</u>	<u>Per Meter Per Month</u>
First 600 cubic feet per month, or less	\$1.70
Next 1,000 cubic feet per month, per 100 cubic feet25
Next 1,400 cubic feet per month, per 100 cubic feet20
Next 2,000 cubic feet per month, per 100 cubic feet15
Over 5,000 cubic feet per month, per 100 cubic feet10
 <u>Minimum Charges:</u>	
For 5/8 x 3/4-inch meter	1.70
For 3/4-inch meter	2.40
For 1-inch meter	3.75
For 1½-inch meter	6.50
For 2-inch meter	10.00

SPECIAL CONDITIONS

A meter may be installed upon any service at the option of either the utility or the customer.