

**ORIGINAL**Decision No. 45685

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of E. M. NELSON and E. E. JENNINGS, partners doing business under the name and style of MYERS WATER WORKS, for a certificate of convenience and necessity to sell and distribute water within the town of Myers Flat, California; to estab- lish rates; and to construct a water system.	}	Application No. 32010
---	---	-----------------------

E. E. Jennings and E. M. Nelson, applicants.O P I N I O N

In this application, filed December 29, 1950, E. E. Jennings and E. M. Nelson ask the Commission for an order granting a certificate of public convenience and necessity to operate a utility water system to be known as Myers Water Works, within the town of Myers Flat, Humboldt County, and to charge the rates set forth in the application as amended on April 26, 1951.

A public hearing in this proceeding was held before Examiner Emerson at Myers Flat on April 26, 1951.

The area which applicants desire to serve consists of approximately 200 acres in and surrounding the unincorporated town of Myers Flat in Sections 29 and 30 of Township 2 South, Range 3 East, Humboldt Base and Meridian, as delineated in the map entered as Exhibit No. 5 in this proceeding. At present, water is being furnished about 25 consumers on an accommodation basis from a system composed of three wells, several springs, two 2,500-gallon concrete reservoirs, and a network of 1½-inch and 2-inch pipes. The community has experienced rapid growth in the last few years, and applicants,

who own nearly all the land in the area, plan to subdivide several tracts in the immediate future. It is anticipated that about 100 customers will utilize the utility water service by December 31, 1951, when the subdivisions are developed and the system completed.

Applicants are now developing an additional source of water supply on a mountain stream fed by a number of springs to the west of the south fork of the Eel River. A diversion dam will be constructed across the stream in the NW $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 30, T2S, R3E, HB&M, and will be located at an elevation of 300 feet. From this source, water will be distributed through approximately 15,000 feet of 8-, 6-, and 4-inch welded steel pipe. Water will also be stored in a new reservoir of 300,000-gallon capacity located at an elevation of 220 feet. One of the existing wells (18-inch diameter, 53-foot gravel packed, pumped by a 15 hp electric motor direct-connected to a turbine pump) will be retained as a standby source. The balance of the present system will be abandoned.

The following rates have been proposed:

FLAT RATES

	<u>Per Month</u>
Residence with garden not exceeding 6,000 sq. ft. ....	\$ 2.50
Garden area in excess of 6,000 sq. ft., per 100 sq. ft. ....	.05
Swimming pool, during months of use .....	2.50
Business and commercial establishments .....	4.00
Industrial plants .....	10.00
Fire hydrant service, per hydrant .....	2.00

METER RATES

	<u>Per Month</u>
Quantity Charges:	
First 500 cubic feet, or less .....	\$2.00
Next 500 cubic feet, per 100 cubic feet .....	.35
Next 1,000 cubic feet, per 100 cubic feet .....	.25
Over 2,000 cubic feet, per 100 cubic feet .....	.20

Minimum Charges:

For 5/8 x 3/4-inch meter .....	2.00
For 3/4-inch meter .....	2.75
For 1-inch meter .....	3.50
For 1 $\frac{1}{2}$ -inch meter .....	7.00
For 2-inch meter .....	9.00
For 3-inch meter .....	14.00

Initial system costs and an estimate of fixed capital charges, as of December 31, 1951, as submitted in Exhibits Nos. 2, 3, and 4 in this proceeding, are summarized by standard accounting classifications, as follows:

	<u>Amount</u>
C-1 Organization	\$ 100
C-5 Landed Capital	500
C-7 ) to ) Water Supply Source	770
C-10)	
C-14 Pumping Equipment	1,045
C-18 Distribution Mains	16,138
C-19 Distribution Reservoirs	5,500
C-21 Services	407
C-24 Equipment	<u>210</u>
Total Intangible and Tangible Capital	24,670

The system has been financed on a cash basis, and applicants assert that such a basis will be continued.

The Commission staff estimated a normal year's operating revenues, under the proposed rates, to be \$3,300. Applicant estimated annual operating expenses at \$3,420, while the staff estimated future normal operating expenses at \$2,790. It is apparent, from such estimates, that a full return will not be earned until such time as the area is further developed and that the proposed rates will provide revenues only sufficient to meet operating expenses during the initial stages of development. The rates to be authorized will be those proposed by applicants, except that the terminal block of the meter rate will be set at 10 cents per 100 cubic feet.

It appears from the record that applicant has a county franchise to operate in the area and that an inspector for the county regularly tests the water and has declared it to be a safe supply.

No other public utility water system operates in or adjacent to the community of Myers Flat, and no protests or objection

to applicants' request to serve the area has been made. Under the circumstances, it appears that public convenience and necessity require and will require that applicants 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 E. E. Jennings and E. M. Nelson in Myers Flat, Humboldt County, as set forth in a map marked Exhibit No. 5 in this proceeding; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted E. E. Jennings and E. M. Nelson 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 with this Commission within thirty (30) days after the effective date of this order, in conformance with the provisions of General Order No. 96, four copies of the schedule of rates attached hereto as Exhibit A, together with four copies of rules and regulations and

EXHIBIT A  
Page 1 of 2

Schedule No. 1

FLAT RATES

APPLICABILITY

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

TERRITORY

In and adjacent to the town of Myers Flat, Humboldt County, as delineated on the map included in the tariff sheets.

RATES

	<u>Per Month</u>
Residence, including garden area not exceeding 6,000 square feet.....	\$2.50
Residential garden areas in excess of 6,000 square feet, per 1000 square feet.....	.05
✓ Each swimming pool during months of use.....	2.50
Business or other commercial establishment.....	4.00
Industrial plants.....	10.00
Fire hydrant service, per hydrant.....	2.00
School.....	6.00

SPECIAL CONDITIONS

- Charges are payable monthly in advance.
- ✓ Meters may be installed at the option of the utility or the customer, in which event service thereafter will be rendered only on the basis of Schedule No. 2, General Metered Rates. A customer's request for change from flat rate to metered service must be made in writing.

EXHIBIT A  
Page 2 of 2

## Schedule No. 2

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all service rendered on a metered basis.

TERRITORY

In and adjacent to the town of Myers Flat, Humboldt County as delineated on the map included in the tariff sheets.

RATES

	<u>Per Month</u>
Quantity Charges:	
First 500 cu.ft. or less.....	\$2.00
Next 500 cu.ft., per 100 cu.ft.....	.35
Next 1,000 cu.ft., per 100 cu.ft.....	.25
Next 2,000 cu.ft., per 100 cu.ft.....	.20
Over 4,000 cu.ft., per 100 cu.ft.....	.10
Minimum Charges:	
For 5/8 x 3/4-inch meter.....	\$2.00
For 3/4-inch meter.....	2.75
For 1-inch meter.....	3.50
For 1½-inch meter.....	7.00
For 2-inch meter.....	9.00
For 3-inch meter.....	14.00

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

service area map acceptable to this Commission, and, on not less than five (5) days' notice to the public and this Commission, to make said rates, rules and regulations effective for all water service rendered on or after the fifteenth day of June, 1951.

- 2. File with this Commission, within forty (40) days after the effective date of this order, 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 the territory served and the location of the various properties of applicants.
- 3. File with this Commission, within thirty (30) days after the effective date of this order, a certified copy of the franchise granted to applicants by the County of Humboldt.

The authorization herein granted will lapse if not exercised within one (1) year after the date hereof.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of May, 1951.

R. J. Ingraham  
Justin J. Calver  
Harold Hills  
John E. Mitchell

Commissioners.