

Decision No. 45720

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
A. N. GIANNOPULOS, NORTH MADERA WATER)
CO., for a certificate to operate a) Application No. 31938
water system in North Madera Subdivision)
#1, Madera County, California, and to)
establish rates.)

A. N. Giannopoulos, in propria persona.

O P I N I O N

A. N. Giannopoulos, doing business as North Madera Water Company, by this application requests a certificate of public convenience and necessity authorizing him to construct and operate a public utility water system in a 60-acre tract known as North Madera Subdivision No. 1, as delineated upon a map filed in this proceeding marked Exhibit No. 2. The subdivision is located approximately 1-3/4 miles north of the city limits of Madera and west of U. S. Highway 99. The portion now divided into lots comprises some 23 acres. Applicant also requests authority to establish flat and meter rates for water service.

The application was submitted at a public hearing held April 20, 1951, at Madera before Examiner Gregory. No one appeared in opposition. There is no public utility water service in the immediate vicinity with which applicant's system would be likely to compete.

The evidence shows that applicant desires to provide domestic water service for 61 lots in the subdivision as now platted^{1/} and that he plans eventually to subdivide an adjacent area owned by

^{1/} Applicant has excepted from his proposed service area Lots Nos. 5 to 11, inclusive. He stated that these lots are now provided with their own pumped water and pressure systems.

him on the north, consisting of approximately 37 acres, and to furnish water to that area from his system. No buildings have as yet been constructed in the portions of the subdivision applicant proposes to serve, nor have any installations yet been made for the purpose of supplying water. Applicant has received from a construction firm in Fresno an estimate of the costs of installation totaling about \$26,000. The proposed construction includes a 12-inch cased well approximately 180 feet deep, equipped with a deep well turbine pump which pumps into a pressure tank from which the water will be distributed to the customers through approximately 2,100 feet of pipe ranging from 4 inches to 8 inches in diameter. Applicant stated that when the construction has been completed he will furnish the Commission with the actual costs thereof.

Applicant proposes to charge flat rates of \$5 per month and, pursuant to an amendment filed at the hearing, he also proposes minimum meter rates of \$5 per month for a 5/8 x 3/4-inch meter, \$5.30 for a 1-inch meter and \$6.55 for a 1 1/2-inch meter.

Applicant is prepared to commence construction of the system upon securing the necessary authorization from this Commission.

The proposed rates appear to be excessive. The rate structure is not properly designed and requires modification in the interests of fairness to both consumer and utility. Applicant, therefore, will not be authorized to charge the rates requested and no schedule of rates for service to be rendered will be authorized at this time. Upon completion of installation of the system and when actual costs thereof and additional information on probable costs of operation are available, the Commission will hold a further public hearing in this matter for the purpose of determining just and reasonable schedules of rates to be charged.

It is concluded that the requested certificate should be granted, subject, however, 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 filed, 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 construction and operation of a public utility water system by A. N. Giannopoulos, doing business as North Madera Water Company, in North Madera Subdivision No. 1, Madera County, in the area set forth in a map marked Exhibit No. 2 in this proceeding; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to A. N. Giannopoulos, doing business as North Madera Water Company, to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described, as shown in a map marked Exhibit No. 2 in this proceeding.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. Notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty (30) days thereafter.
2. 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 applicant.

3. File a supplemental application herein requesting authorization to establish rates for water service, following completion of said water system and when the costs of installation thereof have been ascertained and reported to the Commission.

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

Applicant's request to file the rates herein proposed is hereby denied without prejudice.

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

Dated at San Francisco, California, this 15th day of May, 1951.

R. J. Indurana
Justice J. C. Allen
Harold P. Hulse
John L. McCall

Commissioners.