

Decision No. 45813**ORIGINAL**

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

In the Matter of the Application of )  
 WILLIAM E. BARTLETT for a certificate )  
 of public convenience and necessity )  
 to operate a public utility water ) Application No. 31807  
 system, and to establish rates and )  
 rules of operation for water service )  
 in the unincorporated town of )  
 Caruthers, Fresno County, California. )

William E. Bartlett, in propria persona.

O P I N I O N

William E. Bartlett, doing business as the Caruthers Water Company, engaged in the business of furnishing domestic and commercial water service in the unincorporated town of Caruthers, Fresno County, seeks a certificate of public convenience and necessity for the operation of the system and authority to file flat and meter rates.

The application was submitted at a public hearing held at Caruthers before Examiner Gregory on April 19, 1951.

Applicant acquired the system in 1946 from S. R. Peart, who installed it in 1926. Approximately 154 customers are now being served under seasonal flat rates, said rates being \$2.75 per month during the four winter months and \$3.25 per month during the balance of the year.

Two drilled wells, each ten inches in diameter and 160 feet deep, supply the water. Each is equipped with a deep-well turbine pump directly connected to an electric motor. The well normally used is equipped with a 20 hp electric motor. It pumps into a 2,100-gallon pressure tank from which the water is distributed through about 15,200 feet of mains, varying in size from two to four inches

in diameter, at automatically controlled working pressures of from 20 to 40 pounds per square inch. The other well is used for standby purposes. A new well, 12 inches in diameter, is now being drilled near the pressure tank.

A report submitted by an engineer of the Commission's Hydraulic Division, based on a field inspection of the properties and of applicant's records, indicates the following results at the requested rates:

	<u>1950</u> <u>Actual</u>	<u>1951</u> <u>Estimated</u>
Operating Revenues	\$ 5,840.68	\$ 6,400.00
Operating Expenses	2,508.06 <sup>a</sup>	4,630.00
Net Operating Revenue		1,770.00
Rate Base Depreciated		18,600.00 <sup>b</sup>
Rate of Return		9.51%

- a. No supervision or depreciation expense charged by applicant.  
b. Includes one-half estimated 1951 installations.

Revenues for 1950 were derived from 154 consumers. Estimates for 1951 were based on a potential patronage of 166 customers served under flat rates.

The appraisal of the system shows a total capital investment of \$18,852 as of December 31, 1950. The depreciation annuity, computed by the straight-line method, was determined to be \$730.79 and the accrued depreciation as of December 31, 1950, was \$3,947.80. To allow for such expenses as supervision, interest, and legal expense during construction, an overhead of 10% was added to the historical cost of all capital items except lands, and office and garage equipment. During the current year a total of approximately \$7,400 will be invested by applicant in his new well, a pumping plant, the land on which they are situated, and new distribution

mains. Applicant estimated that his operating costs will increase \$30 or \$40 per month above present levels after installation of the new well and pump.

It is concluded that the rates now being charged by applicant are yielding an excessive return. The order to follow will provide for rates which will result in a return of about 6% on a depreciated rate base of \$18,600.

The record indicates that there are recurrent drops in pressures on the system, especially during peak periods of use during the day and in the summer when open hoses are running for irrigation of gardens. Also, most of the houses and business establishments in the community have evaporative type coolers which use large quantities of water. Applicant requested permission to include in his rules and regulations some provision for limiting use of water during morning and evening peak periods and for area irrigation. The request appears to be reasonable under the circumstances and it will be granted.

The record shows that the system, with the improvements now under construction, is adequate for the service to be rendered, and that the estimated historical costs shown in the engineer's report, together with the utility's capital figures where available, accurately reflect the cost of installation.

No other public utility presently renders water service in the area supplied by applicant, and no protest to the granting of the application was manifested at the hearing. Some of the consumers, however, voiced complaints concerning low pressures on parts of the system during certain times. The new installations and the adoption and enforcement by applicant of rules designed to conserve the available supply and to maintain constant pressures should result in alleviating this condition to a considerable extent.

The record does not clearly reveal whether applicant possesses a county franchise to enter into or under streets in the community of Caruthers for the purpose of installing and maintaining water pipe lines, nor whether the purity of the water supply has recently been tested. In that connection, applicant testified that his predecessor, Peart, told him at the time of the transfer of the properties that there was a county franchise covering the system. Applicant also stated that the water had been analysed by a Fresno concern, but there is no evidence in this record of the results of such analysis. Applicant is placed on notice that he should immediately take steps to determine whether or not he has the necessary authority from county officials to install and maintain his facilities, and he should also, as soon as practicable, ascertain the quality of water now being supplied from existing wells and to be supplied from the new well.

It is concluded that applicant should be granted the requested certificate, 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 William E. Bartlett in the unincorporated town of Caruthers, Fresno 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 William E. Bartlett to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described and as shown in said Exhibit No. 2 in this proceeding.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File the rates set forth in Exhibit A attached to this order, to be effective for service rendered on and after July 1, 1951, together with rules and regulations and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
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.

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 12<sup>th</sup> day of

June, 1951.

A. R. [Signature]  
Harold P. [Signature]  
John L. [Signature]

Commissioners.

EXHIBIT A  
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## Schedule No. 1

FLAT RATESAPPLICABILITY

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

TERRITORY

In and in the vicinity of the unincorporated town of Caruthers, Fresno County.

RATES

	<u>Per Month</u>
For each residence, including an irrigated area, not in excess of 1,500 square feet.....	\$ 2.50
For each additional residence on same lot.....	1.50
For additional irrigation of lawn, shrubs, garden or trees, per month, May to October, inclusive, per 100 square feet.....	.05
For each noncirculating type air cooler, May to October, inclusive.....	.50
For each recirculating type air cooler, May to October, inclusive.....	.25
Grammar School.....	7.50
High School.....	12.50
Service Stations.....	3.50
Restaurants.....	3.50

SPECIAL CONDITIONS

- All service not covered by the above classifications will only be furnished on a metered basis.
- Meters may be installed at option of utility or customer for above classifications, in which event service thereafter will be rendered only on the basis of Schedule No. 2, Meter Rates.
- Yard irrigation will not be permitted during the hours 7 a.m. to 9 a.m. and 5 p.m. to 7 p.m., May to October, inclusive.

EXHIBIT A  
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Schedule No. 2

METER RATES

APPLICABILITY

Applicable to all water service rendered on a measured basis.

TERRITORY

In and in the vicinity of the unincorporated town of Caruthers, Fresno County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Charge:	
First 500 cubic feet or less.....	\$ 2.25
Next 1,500 cubic feet, per 100 cu. ft. ....	.35
Next 3,000 cubic feet, per 100 cu. ft. ....	.25
Next 5,000 cubic feet, per 100 cu. ft. ....	.15
Over 10,000 cubic feet, per 100 cu. ft. ....	.12

Minimum Charge:

For 5/8 x 3/4-inch meter.....	\$ 2.25
For 3/4-inch meter.....	3.00
For 1-inch meter.....	4.00
For 1 1/2-inch meter.....	6.00
For 2-inch meter.....	12.00
For 3-inch meter.....	20.00
For 4-inch meter.....	30.00

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

SPECIAL CONDITIONS

Yard irrigation will not be permitted during the hours 7 a.m. to 9 a.m. and 5 p.m. to 7 p.m., May to October, inclusive.