

ORIGINAL

Decision No. 4S239

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Josephine Fedele and Angelina)
Ognibene, as joint tenants, for a)
Certificate of Public Convenience)
and Necessity to operate a public)
utility water system and to)
establish rates for water service)
in the unincorporated area)
described as the Resubdivision of)
Lot 68 of Scandinavian Colony,)
also designated as Tract 1265 of)
the County of Fresno.)

Application No. 33809

R. L. Sloan, for applicants;
Clyde F. Norris, for the Commission
staff.

O P I N I O N

Nature of Proceeding

Josephine Fedele and Angelina Ognibene herein seek a certificate of public convenience and necessity to construct and operate a public utility water system in Tract No. 1265 in Fresno County, situated one and one-half miles north of the city limits of Fresno, and to have established a schedule of rates for such water service.

Public Hearing

The application was filed on October 16, 1952, and a public hearing was held thereon on January 21, 1953, in Fresno before Examiner Gillard, and the matter was submitted for decision. No appearances were made in opposition to the application.

Proposed Service Area and Water System

Applicants own Tract No. 1265 and will subdivide the same into 66 residential lots and eight commercial sites. The residential

lots are all 60 feet by 125 feet or larger. In the area reserved for commercial sites applicants have put down a 12-inch cased well 135 feet deep and have installed a 15 hp pump and a 3,400-gallon pressure tank. With this pump the well will produce 400 gpm on a free flow basis and 350 gpm under 60 pounds pressure. The distribution system will consist of 1,500 feet of 4-inch and 1,500 feet of 6-inch welded steel pipe, dipped and wrapped. The 6-inch main is being laid so that the system will be sufficient to accommodate additional homes that might in the future be constructed adjacent to the present tract.

Financing

Applicants state that the entire installation costs of the water system will be paid in cash. Financial statements attached to the application indicate they are in a position to do so.

Other Available Water Supply

No other public water supply is available to the proposed subdivision.

Proposed Rates

Applicants have proposed the following rates:

FLAT RATES

	<u>Per Month</u>
For each residence, including 1,500 square feet of irrigated area	\$2.85
For additional irrigated area, per 100 square feet . . . . .	.05
For evaporative water wasting type air cooler, four summer months . . . . .	.20
For house trailer or tent used as a dwelling	1.00
For each commercial establishment	5.00

METER RATES

Per Meter
Per Month

Quantity Rates:

First	1,000 cu.ft. or less	. . . . .	\$2.50
Next	4,000 cu.ft., per 100 cu.ft.	. . . . .	.20
Next	10,000 cu.ft., per 100 cu.ft.	. . . . .	.15
Over	15,000 cu.ft., per 100 cu.ft.	. . . . .	.10

Minimum Charge:

For	5/8 x 3/4-inch meter	. . . . .	\$2.50
For	3/4-inch meter	. . . . .	3.50
For	1-inch meter	. . . . .	5.00

Estimated Revenues and Expenses

When the subdivision is fully developed, the basic flat rates proposed herein will produce \$2,735 in gross revenues. There will be some addition to this figure by virtue of revenue received for excess irrigated area and for the use of air coolers.

Applicants estimated that their annual expenses, without any provision for salaries for the owners, would be \$1,915 under the following allocations: \$630 for power, \$402 for collection and supervision, \$300 for repairs, \$150 for taxes, and \$433 for depreciation.

Rate Base

From the evidence of record herein, the estimated capital expenditures will be as follows:

<u>Item</u>	<u>Amount</u>
Distribution Mains	\$3,935
Well	870
Land	1,000
Pump and Tank	3,960
Total	<u>9,765</u>

Conclusions and Findings

Under the evidence submitted herein, the proposed flat rate of \$2.85 per month for domestic consumers appears a little high. A rate of \$2.75 per month, which would reduce income by only \$80

annually, would be more in line with the rates of comparable utilities in the same area. Such a rate appears to be just and reasonable. The flat rate for commercial users is not deemed appropriate and will not be authorized. The proposed meter rates appear to be consistent with the flat rate and will be authorized.

The record in this proceeding supports the conclusion that public convenience and necessity require and will require that applicants be granted a certificate for the area set forth on the map attached to the application as Exhibit B. The certificate of public convenience and necessity hereinafter 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 Josephine Fedele and Angelina Ognibene in the area designated as Tract No. 1265, Fresno County, and as delineated upon the map attached to the application herein as Exhibit B; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Josephine Fedele and Angelina Ognibene to construct and operate a public utility water

system for the distribution and sale of water within the territory hereinabove described.

IT IS HEREBY FURTHER ORDERED that applicants shall:

1. File in quadruplicate the 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 service area 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 days thereafter.
3. File within forty days after the system is placed in operation 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 land and territory served and the location of the various properties of applicants.

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

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

Dated at San Francisco California, this 24th day of February, 1953.

[Signature]
President.

[Signature]

[Signature]

[Signature]
Commissioners.

EXHIBIT A.
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Schedule No. 1

FLAT RATE WATER SERVICE

APPLICABILITY

Applicable to residential water service furnished on a flat rate basis.

TERRITORY

In the unincorporated area known as Tract No. 1265 Cedar Heights, about 1 1/2 miles north of Fresno, Fresno County.

RATES

Per Service
Per Month

For each residence, including 1,500 square feet of irrigated area	\$2.75
For all irrigated area in excess of 1,500 square feet included in residence charge, per 100 square feet . . . . .	.05
For each house trailer or tent when used as a dwelling	1.00
For each evaporative water wasting type air cooler for the four-month period June through September, inclusive, additional . . . . .	.20

SPECIAL CONDITIONS

1. Flat rate charges are payable monthly in advance.
2. All service not covered by the above classifications will be furnished only on a metered basis.
3. 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, General Metered Water Service.

EXHIBIT A
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Schedule No. 2

GENERAL METERED WATER SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

In the unincorporated area known as Tract No. 1265 Cedar Heights, about $1\frac{1}{2}$ miles north of Fresno, Fresno County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>
First 1,000 cu.ft. or less	\$2.50
Next 4,000 cu.ft.; per 100 cu.ft. ....	.20
Next 10,000 cu.ft., per 100 cu.ft. ....	.15
Over 15,000 cu.ft., per 100 cu.ft. ....	.10
 Minimum Charge:	
For 5/8 x 3/4-inch meter	\$2.50
For 3/4-inch meter	3.50
For 1-inch meter	5.00

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