

ORIGINALDecision No. 48699

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of S. Andrew McBeth)
 (McBeth Acres Water System) to)
 operate a water system in Terwer) Application No. 34046
 Valley, near Klamath, Del Norte)
 County, and to establish rates.)

Lloyd M. Creasy and Robert F. Appel, for
S. Andrew McBeth, applicant.
Glenn A. Coleman, interested party.
Colin Garrity, for the Commission staff.

O P I N I O N

Applicant, S. Andrew McBeth, filed his application on January 26, 1953, for a certificate of public convenience and necessity to construct and operate a public utility water system, to be known as McBeth Acres Water System, in the proposed service area in a subdivision known as McBeth Acres Subdivision in Terwer Valley in Del Norte County near Klamath. The proposed service area includes 12 lots in addition to those shown on Exhibit No. 1 which is the map attached to the application. The legal description of the proposed area is set forth in the application.

A public hearing in this proceeding was held before Examiner Cline at Klamath on April 16, 1953.

Description of System

The proposed service area consists of approximately 32 acres which has been subdivided into 95 lots. At the present time approximately 30 consumers are being served. When the area is fully developed the water system will be required to serve approximately 95 consumers.

The source of water for the system is an 8-inch steel-cased well 65 feet deep. The water is pumped from the well by a jet-type pump, operated by a 5-horsepower electric motor, into a 350-gallon pressure tank which maintains a 40-pound pressure for the system. The testimony shows that the supply of water will be adequate for the system but that a larger storage tank should be provided to prevent interruptions in service. Applicant admitted that the present storage tank is inadequate and stated that he intends to install a larger storage tank within a reasonable time.

The water is distributed through approximately 6,961 feet of mains varying from 5 inches to 3/4 inch in diameter. Applicant proposes to extend the system by laying an additional 1,300 feet of 4-inch mains and an additional 500 feet of 2-inch mains.

Applicant has already invested approximately \$12,000 in the system. Proposed additions will require an expenditure of approximately \$4,650. Applicant intends to provide funds for the additions to the system through the sale of lots in the subdivision.

The Humboldt-Del Norte County Department of Public Health has tested the water and has found no evidence of contamination.

The record shows there is no other public water utility operating in the proposed service area.

The application under consideration relates only to the pressure system on the flat land of the subdivision and does not encompass property which may later be served from a spring.

Franchise

Applicant introduced, as Exhibit No. 3, Application for Franchise to Lay Pipes and Conduits over and upon Public Streets and Highways together with statement from the Clerk of the Board of Supervisors of Del Norte County that on April 13, 1953 the Board passed a motion that the application for franchise be granted.

At the hearing applicant amended his application to request the Commission to make an order declaring that after applicant has obtained the franchise, the Commission, upon a supplemental application being filed, will issue a certificate authorizing the exercise of such franchise upon such terms and conditions as it may designate.

Rates

At the present time applicant is charging a flat rate of \$2 per service. In his application, applicant proposes to serve water on a measured basis at a monthly minimum charge of \$2.50 for 500 cubic feet and at quantity charges reduced through four blocks to 15 cents per 100 cubic feet for all water in excess of 6,000 cubic feet. At the hearing applicant amended his application to request authority to charge a flat rate of \$2.50 per month per service until such time as meters are installed. Applicant also proposes to charge \$50 for installing service to the property line including meter.

Present operating revenues amount to \$60 per month or \$720 per year. Operating expenses last year totaled \$1,728. Applicant submitted no estimates of future revenues and expenses.

In accordance with general practice for other water utilities, the monthly minimum charges proposed for metered service will be reduced below that proposed for comparable flat rate service in the schedule of rates hereinafter authorized. The proposed quantity rate blocks therein will be simplified.

No charge for the installation of services including meters will be authorized. The rates set forth in Exhibit A compare favorably to rates which this Commission has authorized other water utilities in the area to charge. These rates are hereby found to be reasonable and applicant will be authorized to charge the rates set forth in Exhibit A.

Applicant realizes that for some time the revenues will not be sufficient to pay all operating expenses, and he is willing to provide the funds necessary for the operation of the system during the development period.

Financial Ability

The record shows that applicant has the requisite financial ability to develop the public utility water system as proposed.

Conclusion

The Commission has considered the request of applicant for a certificate of public convenience and necessity to construct and operate a public utility water system and is of the opinion that it should be granted.

The certificate issued herein 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.

The Commission is also of the opinion that public convenience and necessity require it to make an order declaring that upon applicant's filing a supplemental application to which is attached a copy of the franchise to be issued by the Board of Supervisors of the County of Del Norte, the Commission will issue a certificate of public convenience and necessity authorizing applicant to exercise such franchise upon such terms and conditions as the Commission may designate.

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 will require the construction and operation of a public utility water system in Block 3 and a portion of Block 2 of McBeth Acres Subdivision as described in the application on file herein.

1. IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to S. Andrew McBeth (McBeth Acres Water System) to construct and operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.

2. IT IS FURTHER ORDERED that upon the filing by applicant of a supplemental application to which is attached a copy of the franchise to be issued by the Board of Supervisors of the County of Del Norte, the Commission will issue a certificate of public convenience authorizing applicant to exercise such franchise upon such terms and conditions as the Commission may designate.

3. IT IS HEREBY FURTHER ORDERED that applicant shall:

- a. File with this Commission, within thirty 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 tariff service area map and, on not less than one day's notice to the public and this Commission, make said rates, rules and regulations effective for all water service rendered on or after the 1st day of July, 1953.
- b. File with this Commission, within forty days after the effective date of this order, four copies of a comprehensive map, drawn to an indicated scale not smaller than 100 feet to the inch, delineating by appropriate markings the tract of land and the territory served and the location of property of applicant.

- c. On or before one year from the effective date of this order, install elevated storage of 10,000 gallons capacity, or greater, situated in elevation such that a working pressure of not less than 40 pounds per square inch shall be provided at consumers' service connections.

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

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

Dated at Los Angeles, California, this 9th day of JUNE, 1953.

A. Z. [Signature]
 President.
Justus J. [Signature]
Harold P. [Signature]
[Signature]
[Signature]
 Commissioners.

EXHIBIT A
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Schedule No. 1

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as McBeth Acres Subdivision, located in Terwer Valley, near Klamath, Del Norte County.

RATES

Per Service
Per Month

For each residence, together with the premises on which such residence is located

\$2.50

SPECIAL CONDITIONS

1. All service not covered by the above classification will be furnished only on a metered basis.
2. Meters may be installed at the option of utility or customer for above classification, in which event service thereafter will be rendered only on the basis of Schedule No. 2, General Metered Service.
3. Flat rate charges are payable monthly in advance.

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Schedule No. 2

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as McBoth Acres Subdivision, located in Terwor Valley, near Klamath, Del Norte County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 500 cu.ft. or less	\$2.25
Next 1,500 cu.ft., per 100 cu.ft.30
Next 3,000 cu.ft., per 100 cu.ft.20
Over 5,000 cu.ft., per 100 cu.ft.15
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$2.25
For 3/4-inch meter	2.75
For 1-inch meter	6.00

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