

ORIGINAL

Decision No. 49756

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Charles Klausner for)	
a Certificate of Public Convenience)	
and Necessity, authorizing him to)	Application No. 34941;
operate a distribution system for the)	Amended.
purpose of distributing water to the)	
residents of Audrain Subdivision.)	

Charles Fogerty for Hughes and Maul, attorneys
for Charles Klausner, applicant.

W. B. Stradley, for the Commission staff.

O P I N I O N

Applicant Charles Klausner filed his application on December 8, 1953, for a certificate of public convenience and necessity to construct and operate a public utility water system in a subdivision owned and being developed by applicant, known as Audrain Subdivision and located adjacent to U. S. Highway 50 approximately two miles west of Echo Summit, El Dorado County. On January 14, 1954, applicant filed an amendment increasing the proposed monthly flat rate to \$3.00 and the proposed annual minimum charge to \$18.00. The system will be operated under the name of Audrain Water Co.

A public hearing in this proceeding was held before Examiner Cline at Strawberry Lodge near Kyburz on January 21, 1954. At the hearing applicant was granted permission to submit a late-filed amendment to increase the proposed service area by including other lands belonging to applicant adjacent to Audrain Subdivision. This amendment was filed January 29, 1954, at which time the matter was taken under submission.

Description of System

The proposed service area is shown on the map attached to

the second amendment to the application on file herein. In Blocks 1 and 2 of Audrain Subdivision there are 14 residential lots. Exhibit No. 1 shows applicant's other property included in the proposed service area may be subdivided into 24 additional residential lots and two commercial sites in proposed Subdivision Blocks 3 and 4.

Five springs located on property of applicant will provide water for the system. Applicant has a perpetual permit from the State of California to take 12,500 gallons of water per day from these springs. The water supply will be adequate for the system as proposed.

The water will flow from the springs into a 2,000-gallon storage tank which is to be located about 140 feet above Block 2 and about 100 feet above Block 1. From the storage tank the water will be distributed by gravity at approximately 40 pounds pressure through mains varying in size from 2 $\frac{1}{2}$ inches to 1 inch in diameter. Residential service will be furnished through 3/4 inch connections and commercial service through 1-inch connections. Valves will be placed at all dead ends on the system so that the lines can be flushed. There is a service culvert across U. S. Highway 50 which can be used in running the water mains across the highway.

Exhibit 2 shows that applicant has expended \$859.50 on the water system to date. He proposes to spend an additional \$1,369 in developing the system to serve Blocks 1 and 2 and an additional \$1,600 to serve Blocks 3 and 4. The record shows that applicant has the requisite financial ability to develop the water system as proposed.

The El Dorado County Health Department has tested the water and it is reported to be satisfactory for human consumption.

The record shows that no other public utility water system

is able to serve the proposed area.

Rate

Applicant proposes to charge a flat rate of \$3.00 per month for each service connection subject to a minimum charge of \$18 per year. No estimates of operating revenues and expenses were submitted. The proposed rate as set forth in Appendix A attached hereto is hereby found to be reasonable and will be authorized.

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.

ORDER

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 by Charles Klausner, in the area shown on the map attached to the second amendment to the application herein; therefore,

1. IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Charles Klausner, doing business as Audrain Water Co., to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described.

2. IT IS HEREBY FURTHER ORDERED as follows:

a. Applicant is authorized to 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 Appendix 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 and after April 1, 1954.

b. Applicant shall notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty days thereafter.

c. Applicant shall file with this Commission, within forty days after the system is in operation, four copies of a comprehensive map, drawn to an indicated scale not smaller than 100 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.

d. Within sixty days after the date when the system has been constructed and placed in operation under the rates and rules and regulations authorized herein, applicants shall file with this Commission a copy of each and every journal or other entry used to record the original installed cost of the major items of property acquired or constructed as parts of the system devoted to rendering

service to the public. All important acquisitions or installations made within a period of one year from the effective date hereof shall likewise be reported within sixty days after their completion.

e. Applicant shall base the accruals for depreciation upon spreading the original cost of the plant, less estimated net salvage and depreciation reserve, over the estimated remaining life of the property. Applicant shall review the accruals when major changes in plant composition occur and for each plant account at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

The authorization herein granted will expire 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 March, 1954.

R. B. Anderson
PRESIDENT
Justus J. Adams
Frederick Pottel
W. E. Bell
Verne Higgins
COMMISSIONERS

APPENDIX A

Schedule No. 1

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

In the unincorporated area known as Audrain Subdivision located adjacent to U. S. Highway 50 approximately 2 miles west of Echo Summit, El Dorado County.

RATES

Per Service Connection

For a single family residence on one subdivision lot:

Per Calendar Year

Annual Minimum Charge: \$18.00

Per Month

Monthly Flat Rate: \$ 3.00

SPECIAL CONDITIONS

1. The above annual minimum charge applies to service during the calendar year commencing January 1 and is due and payable in advance.
2. Customers who have paid the above annual minimum charge for any six months may obtain service during any of the remaining months of the calendar year upon notice to the utility stating the months that such service is desired.
3. For initial service connected during the last five months of a calendar year, the annual minimum charge will be computed on the basis of the number of months remaining in the calendar year at the rate of \$3 per month, any portion of a month being treated as a whole month.