

Decision No. 49827**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of OTTO SCHAEFER for a)
 Certificate of Public Convenience)
 and Necessity, Authorizing him to)
 Operate a Distribution System for)
 the Purpose of Distributing Water)
 to the Residents of Strawberry)
 Heights Subdivision.)

Application No. 34877

Charles Fogerty, for Hughes & Maul, attorneys
 for Otto Schaefer, applicant.
W. B. Stradley, for the Commission staff.

O P I N I O N

Applicant Otto Schaefer filed his application on November 13, 1953, for a certificate of public convenience and necessity to construct and operate a public utility water system in Strawberry Heights Subdivision located in El Dorado County adjacent to U. S. Highway 50, east of Kyburz.

A public hearing in this proceeding was held before Examiner W. E. Cline at Strawberry Lodge, near Kyburz, on January 21, 1954. At the hearing applicant was granted permission to submit a late-filed Exhibit No. 1. Exhibit No. 1 was filed February 2, 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 application on file herein. At the present time there are 25 consumers in the area. When Strawberry Heights Subdivision is fully developed there will be approximately 120 consumers.

Applicant has perpetual permits from the State of California to take 43,400 gallons of water per day from certain springs northwest of the Strawberry Heights Subdivision. The record shows that this supply of water will be adequate for the system as proposed.

The water from the springs is piped into settling tanks and from there flows into two storage tanks having a capacity of approximately 50,000 gallons each. From the storage tanks the water is distributed through 4- and 3-inch mains at an average delivery pressure of 47 pounds per square inch. Customers' services are 1 inch in diameter. Clean-out valves are installed at the ends of the noncirculating mains and should permit satisfactory flushing of such mains.

Applicant has another system through which water is furnished to Strawberry Lodge, which is located on property of applicant adjacent to Strawberry Heights Subdivision. The Strawberry Lodge system is connected to the proposed public utility system so that each system may serve as a standby for the other system.

Applicant states that he has expended approximately \$50,000 to date on the proposed public utility water system. The system has been paid for in full by applicant. The record shows that applicant has the requisite financial ability to develop the system as proposed.

The El Dorado County Health Department has tested the water and reports that it is reasonably safe and potable for a domestic supply.

No other public utility water system is so situated as to enable it to serve the proposed area.

Rate

Applicant proposes to charge a flat rate of \$25 per year for each service connection. No estimates of operating revenues and expenses were submitted. The proposed rate as set forth in Appendix A attached hereto 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.

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 by Otto Schaefer, in the area shown on the map attached to the application on file herein; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Otto Schaefer, doing business as Strawberry Heights Water Company, to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED as follows:

1. Applicant is authorized to file the rates set forth in Appendix A attached to this order to be effective on or before the date service is first rendered to the public, together with rules and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96.

2. Applicant shall notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty days thereafter.
3. Applicant shall 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 various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.
4. 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, applicant 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.
5. Applicant shall base the accruals to 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 San Francisco, California, this 23rd day of March, 1954.

[Signature]
President
[Signature]
[Signature]
[Signature]
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 Strawberry Heights Subdivision located in an unincorporated area adjacent to U. S. Highway 50 approximately 9 miles east of Kyburz, El Dorado County.

RATE

	<u>Per 1-inch Service Connection Per Year</u>
For a single family residence on one subdivision lot	\$25.00

SPECIAL CONDITIONS

1. The above annual flat rate charge applies to service during the 12-month period commencing January 1, and is payable in advance.
2. For initial service connected after January 31 the annual charge will be prorated on the basis of the number of months remaining in the year, any portion of a month being treated as a whole month.