

ORIGINAL

Decision No. 50561

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 LUKINS BROTHERS WATER COMPANY, and)
 GLENN J. LUKINS and MELVIN L. LUKINS,)
 owners of said Lukins Brothers Water)
 Company to operate a water system in)
 Tahoe Island Park Subdivision,)
 El Dorado County (Section 1001,)
 Public Utilities Code).)

Application No. 35298
 (Amended)

In the Matter of the Application of)
 LUKINS BROTHERS WATER COMPANY, and)
 GLENN J. LUKINS and MELVIN L. LUKINS,)
 owners of said Lukins Brothers Water)
 Company, to operate a water system in)
 Tahoe Tallac Subdivision, El Dorado)
 County; also, for authority to oper-)
 ate a water system in Tamarack)
 Subdivision, El Dorado County (Sec-)
 tion 1001, Public Utilities Code).)

Application No. 35335
 (Amended)

Russell F. Milham, for applicants.
W. B. Stradley, for the Commission staff.

O P I N I O N

Glenn J. Lukins and Melvin L. Lukins, presently possess a certificate of public convenience and necessity to operate a public utility water system in the Lukins Tract approximately 1 mile north of Tahoe Valley, El Dorado County.

By these applications, as amended at the hearing, Glenn J. Lukins and Melvin L. Lukins seek a certificate of public convenience and necessity authorizing the operation of a public utility water system in Tahoe Island Park Addition No. 1, Tahoe Island Park Subdivision, Tahoe Tallac Subdivision, a portion of Tamarack Subdivision, and Tallac Park Subdivision, and territory adjacent thereto. The proposed area is adjacent to applicants' present service area and is more particularly delineated on a map designated Exhibit 1. Applicants further request authority to file rates for such service.

A public hearing consolidating both matters was held before Examiner Carl Silverhart at Al Tahoe on July 7, 1954, on which date the applications, which were unopposed, were submitted. ✓

The proposed service area contains some 441 lots, the dimensions of which are set forth on maps in evidence herein. Exhibit 1 sets forth the boundaries of said area.

The water supply now consists of two wells. A 12-inch well equipped with a 3-hp pump is located on Lot 66 of Tahoe Island Park Subdivision. A 10-inch well, 80 feet deep, equipped with a 3-hp pump is located in resurvey Lot No. 2B of Tamarack Subdivision. There are now installed one 2,000-gallon pressure tank and one 525-gallon pressure tank. The distribution system is not as yet fully installed but when completed will consist of approximately 26,000 feet of 6- and 4-inch steel pipe. Applicants propose to meet future water requirements of the area by the installation of 14-inch cased and perforated wells equipped with 20-hp electric pumps.

It is estimated that the cost of the system when entirely completed will be \$54,000.

The record indicates that a county franchise is not required. It appears that there is no other public water supply available to serve the proposed area.

Applicants propose to charge flat rates ranging from \$36 for a five-month summer season rate or \$66 per year for a one-family dwelling to a \$50 summer rate or \$94 per year for commercial establishments as set forth in their Exhibit 6. Meter rates as proposed are the same as the rates now on file for applicants' present service area. ✓

Applicants testified that they possessed capital assets in the sum of \$100,000 and had between \$25,000 and \$50,000 in available cash capital.

Applicants propose to finance the cost of the system from their own funds except as follows:

1. The issuance of a promissory note in the sum of \$3,000, without interest, to M. A. Lindberg, owner of the portion of Tamarack Subdivision herein involved, in payment for the facilities now installed in such subdivision. Such note is payable in annual installments of a sum equal to one half the net revenue applicants derive from water service supplied to such subdivision with all balances remaining due and payable 15 years after date.
2. The issuance of a promissory note in the sum of \$3,000, without interest, to O. R. Martin and Anna M. Martin, owners of Tallac Park Subdivision, in payment for the facilities presently installed in such subdivision. Such note is payable in the same manner as that hereinabove immediately set forth except that all remaining balances are due and payable five years after date.
3. The issuance of a promissory note in the sum of \$8,600, without interest, to Anthony Gastaldi and Hazel Gastaldi, owners of Tahoe Island Park Subdivision, in payment for the facilities presently installed in such subdivision. Such note is payable in the same manner as that set forth in number 1 hereof.

The record shows that applicants possess the requisite financial ability to institute the proposed service and to develop the system as further public need requires.

We conclude from the evidence of record that applicants should be granted the requested certificate and that they should be authorized to issue the promissory notes hereinabove described for the purposes hereinabove mentioned.

Applicants' residential flat rate and general metered service rate proposals appear to be reasonable and will be authorized. The commercial flat rate proposal has been modified to provide rates more nearly comparable with those authorized by this Commission for other water utilities rendering service generally under similar conditions. The rates set forth in Appendix A attached to the following order are hereby found to be reasonable and will be authorized.

The certificate of public convenience and necessity issued herein is subject to the following provisions 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 applicants in Tallac Park Subdivision, a portion of Tamarack Subdivision, Tahoe Island Park Addition No. 1, Tahoe Island Park Subdivision, and Tallac Subdivision, and territory adjacent thereto, El Dorado County, California, as delineated on a map designated Exhibit 1; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Glenn J. Lukins and Melvin L. Lukins to construct and operate a public utility water system to be known as Lukins Brothers Water Company for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED as follows:

1. Applicants are authorized to amend their presently filed tariff schedules, except Schedule No. 3, Seasonal Flat Rate Service, and Schedule No. 4, Annual Flat Rate Service, in conformity with General Order No. 96, to provide for the application of said tariff schedules for water service in

the areas certificated by this order, such amended tariff schedules to be filed before service is first rendered to the public in said areas under the authority herein granted. Schedules Nos. 5 and 6 attached hereto as Appendix A shall be filed as a part of said amended tariff schedules.

2. Applicants shall, within sixty days after the effective date of this order, file revised or additional tariff service area maps, in accordance with procedure prescribed by General Order No. 96, to include the areas herein certificated.
3. Applicants shall file, within forty days after the system is placed in operation, four copies of a comprehensive map, drawn to an indicated scale not smaller than 400 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. Applicants 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; applicants 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.
5. Within sixty days after the date when the systems have been acquired or constructed and are placed in operation under the rates and rules and regulations authorized by this Commission, applicants shall file with the 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.

Applicants are authorized to issue their unsecured non-negotiable promissory notes to the persons named, in the amounts shown, payable in the manner indicated, and for the purposes mentioned, in the opinion preceding this order, it being the opinion of the Commission that the money, property or labor to be procured or paid for by the issuance of such promissory notes is reasonably required by applicants for the purposes stated herein, and that such

purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Applicants shall file with the Commission reports as required by General Order No. 24-A, which order, in so far as applicable is made a part of this order.

The authority herein granted to issue the notes above-referred to will become effective when applicants have paid the minimum fee prescribed by Section 1904 of the Public Utilities Code, which fee is \$25.

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

Except as otherwise hereinabove provided, the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 21st day of September, 1954.

John E. Mitchell
President

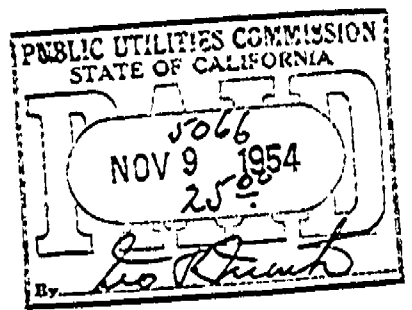
Justin J. Calmes

Kenneth Pottier

Deane Higgins

Commissioners

Commissioner Ray E. Yntermin, being necessarily absent, did not participate in the disposition of this proceeding.



APPENDIX A
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Schedule No. 5

GENERAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

An unincorporated area between State Highway 89 and Lake Tahoe, exclusive of Lukins Tract and Lukins Tract Addition No. 1, located approximately $\frac{1}{2}$ mile north of Tahoe Valley, El Dorado County.

RATES

	<u>Per Service Connection</u>	
	<u>Per Season</u>	<u>Per Year</u>
For each single family residence including premises	\$36.00	\$66.00
For each additional residential unit on the same premises served from the same service connection	25.00	45.00
For each store, market, or office	36.00	66.00
Hotels, apartments or motels:		
For first room or unit	36.00	66.00
Next 3 rooms or units, each	25.00	45.00
Next 6 rooms or units, each	15.00	28.00
Over 10 rooms or units, each	10.00	18.00

Per Month

In addition to the above charges, for each outdoor faucet during summer season only

	\$2.50
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SPECIAL CONDITIONS

- Consumers may take service under this schedule for either (a) the summer season, May 16 to October 15, inclusive, (b) the winter season, October 16 to May 15, inclusive, or (c) for the complete calendar year.
- The summer and winter seasonal flat rate charges are payable in advance on or before May 16 and October 16, respectively. Annual charges are payable in advance on or before January 1.
- Meters may be installed at option of utility or consumer for above classifications in which event service thereafter will be rendered only on the basis of Schedule No. 1, Seasonal Metered Service, or Schedule No. 2, Annual Metered Service.

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Schedule No. 6

FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service.

TERRITORY

An unincorporated area between State Highway 89 and Lake Tahoe, exclusive of Lukins Tract and Lukins Tract Addition No. 1, located approximately 1/2 mile north of Tahoe Valley, El Dorado County.

RATE

Per Month

For each hydrant	\$2.00
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SPECIAL CONDITION

The utility shall be required to supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.