

**ORIGINAL**Decision No. 50856

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PACIFIC WATER CO., a California cor- )  
 poration, for certificates of public )  
 convenience and necessity under )  
 Section 1001 of the Public Utilities )  
 Code to operate public utility )  
 systems for the Nowlin Tract and )  
 Lucerne Valley. )

Application No. 35655  
 (Amended)

George C. Lyon, attorney, for applicant.  
Frank L. VonNormann, Thomas Case and  
G. Gensler, protestants against  
 establishment of meter rates in the  
 Nowlin Tract.  
George B. Rayle, subdivider of Lucerne  
 Valley Tract, interested party.  
Charles W. Drake and Robert M. Mann,  
 for the Commission staff.

O P I N I O N

Pacific Water Company, a corporation, by the above-entitled application filed July 29, 1954, as amended October 29, 1954, with respect to the Lucerne Valley Tract, seeks a certificate of public convenience and necessity to construct and operate public utility water systems in the Nowlin Tract, in unincorporated territory, Los Angeles County, in the area shown on the map Exhibit A attached to the application and as more particularly shown in its relation to other public utilities in the vicinity on the map included in Exhibit No. 2, filed at the hearing, and in a portion of Tract No. 3324, Lucerne Valley Highlands comprising 90 acres and an adjacent 160 acres not yet subdivided, in unincorporated territory, San Bernardino County, to be known as applicant's Victorville Water System No. 6, as shown on the maps Exhibit E attached to the application.

A public hearing in this matter was held before Examiner Stewart C. Warner on November 9, 1954, at Los Angeles. Three consumers protested the establishment of meter rates in the Nowlin Tract. There was no protest to the granting of the application with respect to the Lucerne Valley Tract.

#### General Information

Pacific Water Company furnishes public utility water service in 24 separate systems in Los Angeles, Orange, San Bernardino, and Kern Counties. A balance sheet dated August 31, 1954 included in Exhibits Nos. 1 and 3 filed at the hearing shows applicant's total utility plant to have been \$2,299,942.79. Applicant maintains a construction, maintenance and service plant in Santa Ana for its various systems.

#### NOWLIN TRACT

##### Description of Area

The Nowlin Tract is located in Los Angeles County on the east side of Studebaker Road between Excelsior Drive and Barnwall Street, and it is bordered on the east by Greystone Avenue. The proposed area is approximately 1 mile southwest of Norwalk and comprises approximately 60 acres which have been subdivided into 84 residential lots. Applicant acquired the water system in this area from the Nowlin Land Company in 1945 and water service has been furnished therein by applicant since that date. As of the date of the hearing there were 77 active service connections.

##### Description of Water System

The source of water supply comprises an 8-inch well, owned by applicant, located on Lot 9 of the tract. Said well is 164 feet in depth and the standing water level therein is 58 feet. The pumping plant consists of a turbine pump driven by a 15-horsepower electric motor. The production capacity of the presently installed

pumping plant is 240 gallons per minute. The pump discharges into a 2,000-gallon steel pressure tank which applicant's witness testified maintains operating pressures of from 40 to 60 pounds per square inch.

The distribution system comprises approximately 3,531 feet of 4-inch welded steel pipe, 1,184 feet of 4-inch transite pipe, and 235 feet of 2-inch standard steel pipe. The total fixed capital recorded on applicant's books for the Nowlin Tract as of December 31, 1953, amounted to \$8,798.02 with a related reserve for accrued depreciation of \$816.73.

From a review of the record it appears that the source of water supply and distribution pipeline facilities are adequate to serve the proposed area.

Rates

Applicant has been charging a flat rate of \$3 per month for single-family residence on a lot not to exceed 31,000 square feet in area, through a 3/4-inch service; \$1 per month for each additional family unit on a single lot; and \$0.02 for each additional 100 square feet of lot area. Applicant's president testified that applicant did not intend to install meters at this time.

No change is proposed in rates presently being charged.

Applicant requests the establishment of general meter service rates for the Nowlin Tract as follows:

<u>Quantity Rates</u>	<u>Per Meter Per Month</u>
First 1,200 cu.ft. or less .....	\$3.00
Next 800 cu.ft., per 100 cu.ft. ....	.25
Next 2,000 cu.ft., per 100 cu.ft. ....	.20
Next 2,000 cu.ft., per 100 cu.ft. ....	.15
Over 6,000 cu.ft., per 100 cu.ft. ....	.12

LUCERNE VALLEY TRACT

Description of Proposed Service Area

Applicant's proposed service area for the Lucerne Valley Tract includes 90 acres of Tract No. 3324, Lucerne Valley Highlands, and an adjacent 160 acres not yet subdivided in territory to be known

as applicant's Victorville Water System No. 6. The relative locations of applicant's Victorville Water Systems Nos. 1, 3, 4, 5 and 6 are shown on the map included in Exhibit No. 3. The area is desert, semi-resort land and includes a subdivision of the  $W\frac{1}{2}$  of the  $SW\frac{1}{4}$  of the  $NW\frac{1}{4}$ ; the  $W\frac{1}{2}$  of the  $W\frac{1}{2}$  of the  $SW\frac{1}{4}$ , and the  $SE\frac{1}{4}$  of the  $SW\frac{1}{4}$  of Section 22, Township 4 North, Range 1 West, S.B.B. & M. It includes Lots Nos. 9, 11, 13, 15, 17, 19, 21 and 23, comprising from 4.36 acres to 4.81 acres each, and Lots Nos. 25, 27, 28, 33, 34 and 36, comprising 9.11 acres to 9.56 acres each, of Tract No. 3324, San Bernardino County. Also included is the  $SE\frac{1}{4}$  of Section 21, Township 4 North, Range 1 West, S.B.B. & M.

Description of Water System

Applicant's source of water supply includes a 12-inch well 400 feet in depth located on a parcel of land owned by applicant approximately 130 feet by 130 feet in dimensions situated in the  $SE\frac{1}{4}$  of Section 21. The pumping plant consists of a Wintroath pump driven by a 30-horsepower electric motor and has a production capacity of 300 gallons per minute. The distribution pipeline system includes 1,920 feet of 4-inch steel pipe and 90 feet of 6-inch steel pipe. A 2,000-gallon pressure tank maintains operating pressures of from 40 to 60 pounds per square inch. As of the date of the hearing there were three active service connections.

Rates

Applicant proposes to charge the same rates as those presently on file for its other Victorville water systems,<sup>1</sup> except those for Victorville Water System No. 5, and plans to install meters. The proposed general service meter rates are as follows:

<u>Quantity Rates</u>	<u>Per Meter Per Month</u>
First 1,000 cu.ft., per 100 cu.ft. ....	\$0.25
Next 3,000 cu.ft., per 100 cu.ft. ....	.20
Over 4,000 cu.ft., per 100 cu.ft. ....	.15

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<sup>1</sup> No flat rate tariff schedule is on file for Victorville Water System No. 1.

The proposed flat rate is \$3 per month for single-family residence on a lot not to exceed 10,000 square feet, through a 3/4-inch service; \$2 per month for each additional family unit on a single lot; and \$0.03 for each additional 100 square feet of lot area.

Fixed Capital

Exhibit No. 3 shows applicant's total assets in Lucerne Valley amounting to \$11,409.79 as of July 31, 1954. The record shows that the water system was acquired by applicant for a nominal consideration.

Conclusion

The Commission has considered the application for a certificate of public convenience and necessity covering applicant's proposed Nowlin Tract, Los Angeles County, and Lucerne Valley Tract, San Bernardino County, and is of the opinion that it should be granted 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 action taken herein shall not be construed to be a finding of the value of the property herein described.

The filing of the schedules of rates proposed in the application applicable to the Nowlin Tract System and to Victorville Water System No. 6 will be authorized by the order which follows, except that the rates applicable to the Nowlin Tract System will be ordered to be filed as a part of applicant's Hawaiian Gardens Service Area tariff schedules.

O R D E R

Amended application as above-entitled having been filed, 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 that Pacific Water Company, a corporation, be granted a certificate of public convenience and necessity to construct and operate public utility water systems in the Nowlin Tract, in unincorporated territory, Los Angeles County, in the area shown on the map attached to the application as Exhibit A, and in the portion of Tract No. 3324, Lucerne Valley Highlands, comprising 90 acres and an adjoining 160 acres, in unincorporated territory, San Bernardino County, to be known as applicant's Victorville Water System No. 6, in the area shown on the maps included in Exhibit No. 4 filed at the hearing; therefore,

IT IS HEREBY ORDERED as follows:

1. That Pacific Water Company, a corporation, be and it is granted a certificate of public convenience and necessity to construct and operate public utility water systems in the areas described hereinabove.
- 2.a. That applicant be, and it is, authorized to file after the effective date of this order 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 in its Nowlin Tract, Los Angeles County, in accordance with the requirements of General Order No. 96. Such rates shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.
- 2.b. That applicant shall refile within thirty days after the effective date of this order its presently filed tariff schedules, including the tariff service area map, applicable to its Hawaiian Gardens Service Area, to provide for the application of said tariff schedules for water service in its Nowlin Tract System certificated herein.

- 3.a. That applicant be, and it is, authorized to apply after the effective date of this order its presently filed rates for general metered water service rendered in its Victorville Water Systems Nos. 1, 2, 3, and 4, San Bernardino County, to the area included in its Victorville Water System No. 6, and to apply its presently filed rates for flat rate water service rendered in its Victorville Water Systems Nos. 2, 3, and 4, San Bernardino County, to its Victorville Water System No. 6.
- 3.b. Applicant shall refile within thirty days after the effective date of this order its presently effective tariff schedules, including tariff service area maps, applicable to its Victorville Water Systems Nos. 1, 2, 3, 4 and 5 and its Rimforest area, San Bernardino County, to provide for the application of said tariff schedules for water service in its Victorville Water System No. 6 certificated herein.
4. That applicant shall file, within forty days after the effective date of this order, four copies of a comprehensive map drawn to an indicated scale not smaller than 300 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 various properties of applicant.
5. That 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 effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day of DECEMBER, 1954.

Ed E. Mitchell  
President

Justin J. Casner

Samuel P. Patton

Walter Suggins

Ralph L. ...  
Commissioners

APPENDIX A  
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## Schedule No. 4

Nowlin Tract Tariff AreaGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Nowlin Tract, approximately 1 mile south of Norwalk, Los Angeles County.

RATES

	<u>For Meter Per Month</u>
Quantity Rates:	
First 1,200 cu.ft. or less .....	\$ 3.00
Next 800 cu.ft., per 100 cu.ft. ....	.25
Next 2,000 cu.ft., per 100 cu.ft. ....	.20
Next 2,000 cu.ft., per 100 cu.ft. ....	.15
Over 6,000 cu.ft., per 100 cu.ft. ....	.12
Minimum Charge:	
For 5/8 x 3/4-inch meter .....	\$ 3.00
For 1-inch meter .....	4.00
For 1½-inch meter .....	7.50
For 2-inch meter .....	10.00
For 3-inch meter .....	15.00
For 4-inch meter .....	30.00
For 6-inch meter .....	40.00

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

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Schedule No. 5

Nowlin Tract Tariff Area

FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Nowlin Tract, approximately 1 mile south of Norwalk, Los Angeles County.

RATES

	<u>Per 3/4-Inch Service Connection Per Month</u>
1. For each single-family residence including premises not exceeding 31,000 sq.ft. in area ..	\$3.00
a. In addition, for each additional residential unit on the same premises served from the same service connection .....	1.00
b. In addition, for each additional 100 sq.ft. of area of premises in excess of 31,000 sq.ft. ....	.02
2. For each store, market or shop .....	3.00
3. For each service station .....	4.00

SPECIAL CONDITIONS

1. All service not covered by the above classifications will be furnished only on a metered basis.

2. 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. 4, General Metered Service. ✓