

ORIGINALDecision No. 51792

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOULTS PUMP COMPANY, a privately)
 owned company, for a certificate of)
 public convenience and necessity to)
 operate a public utility water sys-)
 tem and to establish rates for water)
 service in an unincorporated area)
 adjoining the City of Tulare,)
 California, known as Tract No. 225.)

Application No. 36839

R. C. Soults, applicant, in propria persona,
W. B. Stradley, for the Commission staff.

O P I N I O N

R. C. Soult's, applicant filed this application on March 30, 1955, seeking a certificate for water service upon Tract No. 225, Tulare County. This tract contains approximately 10 acres in the northwest $\frac{1}{4}$ of the northwest $\frac{1}{4}$ of Section 7, Township 20 South, Range 25 East Mount Diablo Base and Meridian. The subdivision, called Park Avenue Estates, is divided into 30 lots suitable for residential purposes. The location is approximately $\frac{1}{2}$ mile east of the corporate limits of the City of Tulare.

Public hearing was held in Tulare before Examiner John Power on June 2, 1955. At that time applicant amended the application on its face in several particulars. First, $2\frac{1}{2}$ acres lying between Tract No. 225 and the Tulare-Lindsay highway was added to the sought service area. Second, certain minor changes in the flat rate and metered service schedules as originally proposed were made. Third, a fire hydrant schedule was added to the rate proposal.

Applicant introduced an affidavit of publication of notice of hearing as an exhibit. He testified concerning the posting of

notice of hearing and one of the notices was received as an exhibit. A third exhibit was a subdivision map showing Leonard C. and Margaret B. Reed as owners of the tract. Applicant and Leonard C. Reed testified orally in support of the application.

The evidence developed the fact that the water system was not yet installed. Applicant proposes to drill on the west 25 feet of Lot 6, Tract 225, a well of either 8- or 10-inch diameter to a depth of about 150 feet.¹ This well will be equipped with a deep well turbine pump driven by a 15-horsepower electric motor and will discharge into a 2,000-gallon pressure tank. The mains will be constructed for 4-inch, 10-gauge, dipped steel pipe with 1-inch services to each platted lot. Applicant originally proposed to install 1,800 feet of main to serve the tract but at the hearing testified that he was agreeable to adding enough additional piping to make the system a circulating one. This will require about 450 feet of additional main. The following order will require that this be done.

The capital to be invested by applicant in this water system is to be raised, he testified, from two sources. Applicant will contribute both from his inventory and his financial resources. He also proposes to finance part of his expenses with a bank contract. A balance sheet attached to the application reveals that applicant has ample resources to complete the system.

Applicant estimated his system cost at \$8,045. A breakdown of this figure was supplied as a late-filed exhibit and shows the following:

Pump and motor, installed	\$2,200
Pressure tank, valves, fittings	1,060
Well (approximately 150 feet)	695
Developing well	290
4-inch main line, 1-inch take-off lines; and 1-inch service cocks.	3,800
Total	8,045

¹ The portion of Lot 6 has been conveyed to applicant by a recorded deed. The easement to lay lines in the streets has been executed but not recorded.

Applicant proposed a monthly flat rate of \$3.50 for each residence served through a 1-inch service connection, with additional charges for area of premises in excess of 8,000 square feet and, during the summer months, for evaporative-type air coolers. Also proposed by applicant is a rate of \$1.50 per month per 2½-inch fire hydrant. Authority was requested for billing customers on a bimonthly basis.

The meter minimum charges and quantity rates proposed are not consistent with the flat rates proposed. Accordingly, the rates for metered service will be modified to provide for a minimum charge of \$2.80 per month for a 5/8 x 3/4-inch meter with proportionally higher charges for larger size meters. Quantity rates for use in excess of the 800 cubic feet allowed for the \$2.80 minimum charge, vary through two blocks of usage from \$0.25 and \$0.20 per 100 cubic feet, to \$0.15 per 100 cubic feet for quantities used in excess of 5,000 cubic feet.

Applicant testified that the County of Tulare requires no franchise for a water company. A clearance from the county health officer will be obtained when the well is developed. There are no public utility water systems operating in the immediate area.

It appears that the system proposed by applicant will be needed by those who move into Tract No. 225 and that no other water service is now available in this area. The rates and charges set forth in Appendix A attached to the following order are found to be reasonable and will be authorized. The financial capacity of the applicant is sufficient to carry out his proposals.

The certificate of public convenience and necessity herein granted 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 for any amount of money in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as 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 R. C. Soultz, doing business as Soultz Pump Company, in Tulare County, in the area set forth in map marked Exhibit 3 in this proceeding; therefore,

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

IT IS FURTHER ORDERED as follows:

1. Applicant 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, together with rules including provision for bimonthly billing and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such rates, rules and tariff service area map shall become effective on five days' notice to the Commission and the public after filing as hereinabove provided.
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 within forty days after the system is placed in operation four copies of a comprehensive map, drawn to an indicated scale not smaller than eighty 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 water system properties of applicant.
4. 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.

5. Within thirty days after water service is first furnished to the public under the authority herein granted, applicant shall effect the elimination of the two dead ends of the 4-inch mains shown on the map, attached to the application as Exhibit A, by extending each of such 4-inch mains to Road 118 and connecting the ends of such extended mains by installing, in Road 118, a connecting main not smaller than two inches in diameter. Within fifteen days after the completion of the installation to eliminate dead ends in the distribution system as provided above, applicant shall report to the Commission in writing that such installation has been completed.
6. Within sixty days after completion of the well referred to in the foregoing opinion, applicant shall file with the Commission evidence of approval of the water supply for the water system herein authorized by the appropriate health authority of the County of Tulare.

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 9th day of August, 1955

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Park Avenue Estates, Tract No. 225, located approximately $\frac{1}{2}$ mile east of the City of Tulare, Tulare County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 800 cu.ft. or less	\$2.80
Next 2,200 cu.ft., per 100 cu.ft.25
Next 2,000 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	\$2.80
For 3/4-inch meter	3.10
For 1-inch meter	3.50
For 1 1/2-inch meter	4.00
For 2-inch meter	5.00

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

APPENDIX A
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Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Park Avenue Estates, Tract No. 225, located approximately $\frac{1}{2}$ mile east of the City of Tulare, Tulare County.

RATES

	<u>Per Service Connection Per Month</u>
For each single family residence, including premises not exceeding 8,000 sq.ft. in area	\$3.50
a. In addition, for each 100 sq.ft. or area of premises in excess of 8,000 sq.ft.03
b. In addition, for each evaporative-type air cooler during the five-month period May through September, inclusive:	
Water recirculating type25
Water wasting type50

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications will be furnished only on a metered basis.
3. Charges for air coolers will apply as provided in the above schedule except in those cases where the customer notifies the utility, in writing, which months during the above period any air cooler will not be in service, and providing that such unit is disconnected during said months subject to inspection by utility representatives.
4. 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. 1, General Metered Service.

Schedule No. 3

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated area known as Park Avenue Estates, Tract No. 225, located approximately 1/2 mile east of the City of Tulare, Tulare County.

RATE

Per Month

For each wharf type or steamer	
type hydrant	\$1.50

SPECIAL CONDITION

The utility will 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.