

Decision No. 51929**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JOHN P. FABIAN to)	
operate a water system in the Lake)	Application No. 37115
Tahoe area, Tahoe, Placer County,)	(As Amended)
California; and to establish rates.)	

John P. Fabian, in propria persona.
W. B. Stradley, for the Commission
 staff.

O P I N I O NThe Application

John P. Fabian, by the above-entitled application filed July 11, 1955, as amended at the hearing, requests an order granting him a certificate of public convenience and necessity to operate a water system in the Lake Tahoe area. The area to be served is presently owned by applicant and is described as the northeast quarter of Section 32, Township 16 north, Range 17 east, Mount Diablo Base and Meridian, lying in Placer County.

Hearing

Public hearing was held August 11, 1955, in Tahoe City before Commissioner Ray E. Untereiner and Examiner John A. Rowe, Jr., at which time evidence, both oral and documentary, was adduced and the matter was duly submitted. A copy of this application was sent to the county officials. Although notice of the application and of the hearing was published as required by the Commission, no one appeared in opposition.

The Project as Proposed

Applicant proposes to subdivide the above-described quarter section into approximately 300 lots, 100 by 150 feet each. This

area includes a tract of approximately 30 acres, known as Highlands No. 1, which was previously subdivided into 67 lots.

The water supply for the system is to be obtained from a well located directly to the west of the presently subdivided area. This well is equipped with a 10-hp electric submersible pump set at a depth of 105 feet which is capable of delivering about 100 gallons of water per minute into a 150,000-gallon concrete reservoir located about 900 feet north of the area to be served and at approximately 250 feet higher elevation. The transmission and distribution system consists of about 11,400 feet of 4-inch and 1,600 feet of 6-inch, 14-gauge steel main, tar dipped. Four fire hydrants have been ordered and will be installed by the utility, but rates are not proposed at this time for this service as there is no local fire protection agency in this area.

The Feasibility and Need for the System

According to applicant's testimony the estimated cost of the proposed initial construction is \$35,700. Applicant has financed the system to date from his own funds and proposes to finance future extensions in the same manner. The record shows that applicant has the requisite financial ability to develop the water system as further public need requires.

The nearest water service is that of the Lake Forest Water System approximately one half mile distant from applicant's land. The owner of this system was notified of the application and hearing but did not appear. All necessary permits have been obtained and the Public Health Department of Placer County has approved the project. No wells will be within 50 feet of any sewer line or cesspool. No competition with any other public utility exists or is contemplated.

Rates as Proposed

Applicant's proposed schedule of flat rates provides for a basic charge of \$36, for the five-month summer season, from May 15 through October 15, of each year. For the balance of the year the charge is to be \$36. A yearly rate of \$66 is proposed if requested by the customer at the commencement of any summer or winter season. The proposed meter schedules also provide for seasonal and annual charges; the minimum being \$36 for either the five summer months or for the seven winter months with an allowance of 1,000 cubic feet per month included in the seasonal minimum charge. The rates for excess use would be \$0.25 per 100 cubic feet for the next 1,000 cubic feet per month, \$0.20 per 100 cubic feet for the next 2,000 cubic feet per month, and for all over 4,000 cubic feet per month at the rate of \$0.175 per 100 cubic feet per month. Applicant stated that he realized that the system would operate at a loss, at least during the development stages of the area to be subdivided.

The general level of rates proposed by applicant compares favorably with those of other water utilities serving in the Tahoe area and will be adopted in the order which follows. No estimates of operating revenues or expenses were submitted. Applicant intends to hire a local man to operate the system.

Conclusion

No other public utility water system renders service in or contiguous to this proposed service area and no objections have been made to the granting of a certificate to applicant as herein requested. Under the circumstances, it appears and we find that public convenience and necessity require and will require that applicant be granted authority as requested to serve as a public

utility water system in this area. The certificate herein issued 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 applicant in the northeast quarter of Section 32, Township 16 north, Range 17 east, Mount Diablo Base and Meridian, including Highlands No. 1, being on the north side of Lake Tahoe, in Placer County, California, therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it is hereby, granted to John P. Fabian to construct and operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY 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 and tariff service area map acceptable to the 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 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 200 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.
3. 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.
4. Applicant shall notify this Commission in writing of the date service is first rendered to the public, within thirty days thereafter.

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

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 6th day of September, 1955.

Paul E. Mitchell
President
Justin J. Cassler
R. H. Hodge

Commissioners
Ray E. Untereiner
Commissioner ~~Matthew J. Dooley~~ being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1

SEASONAL METERED SERVICEAPPLICABILITY

Applicable to all seasonal metered water service.

TERRITORY

The unincorporated area including the subdivision known as Highlands No. 1, and vicinity, adjacent to State Highway 28, approximately 2 miles northeast of Tahoe City, Placer County.

RATES

	<u>Per 5/8 x 3/4-inch Meter per Season</u>
Seasonal Minimum Charges:	
Summer Season:	
For the 5-month period May 16 to October 15, inclusive	\$36.00
Winter Season:	
For the 7-month period October 16 to May 15, inclusive	36.00
Monthly Quantity Rates:	<u>Per Meter per Month</u>
First 1,000 cu.ft. or less per month, included in Seasonal Minimum Charge.	
Next 1,000 cu.ft., per 100 cu.ft.	\$0.25
Next 2,000 cu.ft., per 100 cu.ft.20
Over 4,000 cu.ft., per 100 cu.ft.175

SPECIAL CONDITIONS

1. Consumers may take service under this schedule for either the summer season or the winter season, or for both seasons.
2. The summer and winter seasonal minimum charges are payable in advance on or before May 16 and October 16, respectively.
3. When the seasonal charge is paid in advance, charges for water used in excess of the monthly allowance under the seasonal minimum charge may be billed monthly, bimonthly, or seasonally at the option of the utility on a noncumulative monthly consumption basis.

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Schedule No. 2

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all annual metered water service.

TERRITORY

The unincorporated area including the subdivision known as Highlands No. 1, and vicinity, adjacent to State Highway 28 approximately 2 miles north-east of Tahoe City, Placer County.

RATES

Per 5/8 x 3/4-inch
Meter per Year

Annual Minimum Charge:

For a 12-month period commencing
May 16 or October 16 \$66.00

Monthly Quantity Rates:

Per Meter
per Month

First 1,000 cu.ft. or less per month,
included in Annual Minimum Charge.

Next 1,000 cu.ft., per 100 cu.ft. \$0.25
Next 2,000 cu.ft., per 100 cu.ft.20
Over 4,000 cu.ft., per 100 cu.ft.175

SPECIAL CONDITIONS

1. The above annual minimum charge applies to service during a 12-month period commencing May 16 or October 16 and is due in advance.
2. When the annual minimum charge is paid annually in advance, charges for water used in excess of the monthly allowance under the annual minimum charge may be billed monthly, bimonthly, or quarterly at the option of the utility on a noncumulative monthly consumption basis.

Schedule No. 3

SEASONAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Highlands No.1, and vicinity, adjacent to State Highway 28 approximately 2 miles northeast of Tahoe City, Placer County.

RATES

	Per 3/4-inch Service Connection <u>per Season</u>
Summer Seasonal Charge:	
Summer Season:	
For the 5-month period May 16 to October 15, inclusive	\$36.00
Winter Seasonal Charge:	
Winter Season:	
For the 7-month period October 16 to May 15, inclusive	36.00

SPECIAL CONDITIONS

1. Consumers may take service under this schedule for either the summer season or the winter season, or for both seasons.
2. The summer and winter seasonal flat rate charges are payable in advance on or before May 16 and October 16, respectively.
3. Meters may be installed at option of utility or consumer for above classification in which event service thereafter will be rendered only on the basis of Schedule No. 1, Seasonal Metered Service.

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Schedule No. 4

ANNUAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Highlands No. 1, and vicinity, adjacent to State Highway 28 approximately 2 miles north-east of Tahoe City, Placer County.

RATES

	<u>Per 3/4-inch Service Connection Per Year</u>
For a 12-month period commencing May 16 or October 16	\$66.00

SPECIAL CONDITIONS

1. The above annual flat rate charge applies to service during a 12-month period commencing May 16 or October 16, and is due in advance.
2. Meters may be installed at option of utility or consumer for above classification in which event service thereafter will be rendered only on the basis of Schedule No. 2, Annual Metered Service.