

ORIGINAL

Decision No. 52168

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of OAKVALE WATER COMPANY,)
a California corporation, for a)
certificate of convenience and)
necessity to construct and operate)
a water distribution system,)

 and)

Application of OAKVALE WATER COMPANY,)
a California corporation, for authority)
to issue and sell its capital stock.)

) Application No. 37170
)
) Amendment to Original
) Application.

Robert L. Stockton, for applicant.
W. B. Stradley, for the Commission's Staff.

O P I N I O N

By its application as amended, Oakvale Water Company, a corporation, requests (a) a certificate of public convenience and necessity to construct and operate a water system in an unincorporated area in the County of Sacramento, (b) authority to issue \$40,000 par value of its common stock, and (c) a certificate of public convenience and necessity to exercise a fifty-year franchise granted by the County of Sacramento by Ordinance No. 499.

A public hearing was held before Examiner Daly in Sacramento on October 5, 1955, and the matter was submitted. No appearance was made in protest to the authority sought.

Applicant proposes to supply water to an area consisting of approximately 240 acres. The area is known as Whitney Village and will be developed in two units. When completed applicant estimates there will be approximately 200 consumers. Approximately 16,192 feet of 8-, 6-, 4-, and 2-inch pipe will be installed to

serve both units. A 14-inch well has been drilled to a depth of 285 feet and equipped with a 50-horsepower electric motor directly connected to a deep well turbine pump. This unit is capable of delivering 600 gallons of water per minute against 35 to 55 pounds system pressure. The capacity of the pneumatic pressure tank will be 5,000 gallons.

The estimated system cost is \$61,390.19. Applicant intends to finance said costs by issuing \$40,000 par value of its common stock to two of its directors, who are also officers of applicant. Installation will be made as the development progresses. Additional funds will be made available as required through subsequently authorized stock issues.

Applicant has proposed both flat and meter rates for the service to be rendered. Authority was requested for billing customers on a bimonthly basis.

On July 20, 1955, the Sacramento County Board of Supervisors passed Ordinance No. 499, granting to applicant a franchise to install and operate a water system in the area described in Exhibit C attached to the application. The franchise referred to, a copy of which is attached to the application and designated as Exhibit E, is for a period of 50 years. A fee is payable annually to the County equivalent to 2 per cent of the gross receipts arising from the use, operation, or possession of the franchise.

After consideration the Commission is of the opinion that public convenience and necessity require the granting of the certificates requested. The certificates hereinafter to be issued are subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the franchise involved herein

or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificates of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or a political subdivision thereof as the consideration for the grant of such franchise, certificates of public convenience and necessity or rights.

The Commission is also of the opinion that the proposed rates are just and reasonable, that the money, property or labor to be procured or paid for through the issue of the stock is reasonable and required for the purpose set forth herein and that such purpose is not in whole or in part reasonably chargeable to operating expenses or to income.

O R D E R

Application having been filed, a public hearing having been held thereon and based upon the evidence adduced therein,

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 Oakvale Water Company, a corporation, within the area delineated upon the map filed in this proceeding as Exhibit C.

IT IS HEREBY FURTHER FOUND AS A FACT that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by Ordinance No. 499 of the County of Sacramento.

IT IS HEREBY ORDERED as follows:

- (1) That a certificate of public convenience and necessity be

and it is hereby granted to Oakvale Water Company to construct and operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.

(2) That a certificate of public convenience and necessity be and it is granted to Oakvale Water Company to exercise the rights and privileges granted by the County of Sacramento by Ordinance No. 499 adopted on July 20, 1955.

(3) That applicant is authorized to file, after the effective date of this order, the rates set forth in Appendix A attached hereto, 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 upon five days' notice to the Commission and to the public after filing as hereinabove provided.

(4) That applicant shall notify this Commission, in writing, of the date service is first rendered to the public, within ten days thereafter.

(5) That applicant shall file within ninety days after the system is placed in operation, under the rates and rules authorized herein, 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 for which this certificate is issued; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.

(6) 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.

(7) That, after the effective date hereof and on or before March 15, 1956, applicant may issue not exceeding \$40,000 par value of its capital stock in exchange for the properties and for the purposes described in the foregoing opinion.

(8) That applicant shall file with the Commission monthly reports, as required by General Order No. 24-A, which order, insofar as applicable, is hereby made a part of this order.

(9) That the authorization granted shall expire if not exercised within one year from the date hereof.

The effective date of this order shall be 20 days after the date hereof.

Dated at San Francisco, California, this 1st day of November, 1955.

Ed. E. Mitchell
PRESIDENT
Paula Winters
Max Doolin
R. Hardy

Commissioners

Commissioner.....Justus F. Craemer, being necessarily absent, did not participate in the disposition of this proceeding.

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including the subdivision known as Whitney Village, and vicinity, located approximately 4-1/2 miles northeast of the City of Sacramento, Sacramento County.

RATES

Quantity Rates:	<u>Per Meter per Month</u>
First 800 cu.ft. or less	\$3.00
Next 4,200 cu.ft., per 100 cu.ft.....	.20
Next 5,000 cu.ft., per 100 cu.ft.....	.15
Next 10,000 cu.ft., per 100 cu.ft.....	.125
Over 20,000 cu.ft., per 100 cu.ft.....	.10
 Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.00
For 3/4-inch meter	3.50
For 1-inch meter	6.35
For 1-1/2-inch meter	9.75
For 2-inch meter	14.25
For 3-inch meter	23.25
For 4-inch meter	45.25
For 6-inch meter	66.75

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

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Whitney Village, and vicinity, located approximately $4\frac{1}{2}$ miles northeast of the City of Sacramento, Sacramento County.

RATES

	<u>Per Service Connection per Month</u>
For each residential unit without swimming pool, including a lot having an area of:	
7,000 sq.ft. or less	\$3.00
Over 7,000 sq.ft. to 9,000 sq.ft.....	3.25
Over 9,000 sq.ft. to 11,000 sq.ft.....	3.50
Over 11,000 sq.ft. to 13,000 sq.ft.....	3.75
Over 13,000 sq.ft. to 15,000 sq.ft.....	4.00
Over 15,000 sq.ft. to 20,000 sq.ft.....	4.60
Over 20,000 sq.ft., for each additional 1,000 sq.ft. or fraction thereof.....	.085
For each noncirculating type evaporative room cooler, during the months of May through September inclusive, in addition to single family residence rate50

SPECIAL CONDITIONS

- All service not covered by the above classifications will be furnished only on a metered basis.
- 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, and must be continued under Schedule No. 1 for not less than 12 months before it may again be changed to flat rate service.

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Whitney Village, and vicinity, located approximately 4-1/2 miles northeast of the City of Sacramento, Sacramento County.

RATE

Per Month

For each hydrant \$1.50

SPECIAL CONDITIONS

1. The cost of installation and maintenance of hydrants will be borne by the utility.
2. The utility will supply only such water at such pressure as may be available from time to time as the result of its normal operation of the system.