

**ORIGINAL**Decision No. 52537

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JOSEPH A. ROMANO to )	
operate a water system in TRACT )	
NO. 1514 and TRACT NO. 1475, to )	Application No. 37531
establish territory for expansion, )	(Amended)
and to establish rates. )	

Joseph A. Romano and Raymond L. Reel, for  
applicant.  
Robert C. Moeck, for the Commission staff.

O P I N I O NNature of Proceeding

By the above-entitled application, filed December 1, 1955 and as amended December 22, 1955, Joseph A. Romano (Sunnyside Green Water Company) seeks an order of this Commission granting the applicant a certificate of public convenience and necessity to construct, operate and maintain a public utility water system for service to an area generally described as that bounded by Clovis Avenue on the west, Armstrong Avenue on the east, Kings Canyon Road on the north and on the south partially by Butler Avenue and partially by a line 1,320 feet south of Butler Avenue between Fowler and Armstrong Avenues, lying approximately 3½ miles east of the city limits of Fresno, California, and to establish rates for water service in such area.

Public Hearing

After due notice to the public and to each present water user in the territory for which the certificate is sought, a public hearing in the matter was held before Examiner F. Everett Emerson on December 29, 1955 at Fresno. No opposition was presented at the hearing.

The Applicant and Area Development

Applicant is in the building contracting and real-estate subdivision development business and is one of the owners of approximately 20 acres of land, containing 48 lots, known as Tract No. 1514, Sunnyside Green, lying near the center of the area for which a certificate is sought. Original construction of the water system will be in such tract. Adjacent to Tract No. 1514 on the east is another 20-acre parcel known as Tract No. 1551 and lying to the north are two other 20-acre parcels known as Tract No. 1550 and Tract No. 1475. Residents within or owners of these tracts seek water service from applicant herein. In addition, lying to the west of Tract No. 1514 is Country Club Estates No. 3, a tract of 140 acres containing 155 large lots of which many are occupied and improved, in which individual owners maintain their own wells. A number of these individuals have requested that applicant provide their water service and applicant anticipates that the remaining undeveloped lots in this tract will be served by him. All the remaining land in the area for which a certificate is sought is presently undeveloped but suitable for subdivision into homesites and commercial shopping centers, according to applicant.

The Initial Water System

The initial water system, in Tract No. 1514, has been installed on a cash basis. It consists of a 12-inch well, 148 feet deep, pumped by a turbine pump driven by a 30-hp electric motor, with a 3,000-gallon pressure tank installed as part of the pumping plant, and distribution mains within the tract consisting of 355 feet of 5½-inch, 2,975 feet of 4-inch and 410 feet of 3½-inch pipes. The system is capable of supplying several times the number of lots within the tract and can readily be extended to adjoining areas.

The total original cost of the initial water system within Tract No. 1514 is reported to be \$14,367.23, distributed as follows:

Land (well site, lot 1 of tract)	\$3,000.00
Well (drilled and cased)	621.40
Pump, motor, electrical wiring	3,616.33
Pressure tank	875.50
Distribution mains, services and fittings	<u>6,254.00</u>
Total	<u>\$14,367.23</u>

Proposed Rates

The rates proposed by applicant are basically flat rates, it being his intent to meter only commercial usage or very large residential water usage. At the hearing, applicant amended his rate proposal to include a charge for fire hydrant service. Applicant requests authority to bill bimonthly.

The proposed rates are as follows:

Flat Rate Service

For each single family residence, including use of lavatories, kitchens and premises not exceeding 8,000 sq. ft. of area, per month .....	\$3.50
For each water closet or urinal in single family dwelling, per month .....	.30
For each bath tub or shower, per month .....	.30
For each 100 sq. ft. of area in excess of 8,000 sq. ft., per month .....	.03
For each evaporative cooler installed with return pump, per annum .....	2.40
For air-conditioning and refrigeration units of one-ton capacity or more installed without water-saving devices, the flow of cooling water to be limited to 1½ gpm per rated ton, per annum per ton	10.00
For air-conditioning and refrigeration units equipped with water-saving devices, per annum .....	2.40
For each swimming pool not exceeding 15,000 gallons capacity, per annum .....	6.00
For each 2,500 gallons or fraction thereof over 15,000 gallons, per annum .....	1.00
For each public fire hydrant, per month .....	2.00

Metered Service

Quantity Rates	<u>Per Month</u>
First 800 cu.ft. or less .....	\$3.00
Next 4,200 cu.ft., per 100 cu.ft.....	.25
Over 5,000 cu.ft., per 100 cu.ft.....	.20
Minimum Charge:	
For 5/8 x 3/4-inch meter .....	\$3.00
For 3/4-inch meter .....	3.75
For 1-inch meter .....	5.00
For 1-1/2-inch meter .....	8.00
For 2-inch meter .....	13.00

Prospective Results of Operation

Applicant estimates gross revenues of \$3,384 and gross annual operating expenses of \$3,360. It is clear that applicant will earn little, if any, return until further development of the area ensues. Applicant is aware of such situation and stated that he is financially able to operate under such an initial handicap pending further development and expansion of the system.

Conclusions

In view of the evidence we find that public convenience and necessity require and will require that applicant be granted a certificate for the area requested. Such certificate 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.

The rates which applicant has proposed are in the main reasonable rates for the service to be rendered. However, there appears to be an element of discrimination inherent in certain parts of the proposed flat rate schedule and we will, therefore,

authorize the filing of rates which will more fairly charge the consumer for the water used. Applicant's request to bill bimonthly will be granted.

O R D E R

Public hearing having been held, the matter having been submitted and considered by the Commission and based upon the findings and conclusions contained in the foregoing opinion,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Joseph A. Romano (Sunnyside Green Water Company) to construct and operate a public utility water system for the production, storage, distribution and sale of water within the following described territory in Fresno County:

The area bounded on the west by the center line of Clovis Avenue, on the north by the center line of Kings Canyon Road, on the east by the center line of Armstrong Avenue, and on the south by the center line of Butler Avenue between Clovis Avenue and Fowler Avenue and by an east-west line 1,320 feet south of Butler Avenue between Fowler Avenue and Armstrong Avenue.

IT IS HEREBY FURTHER ORDERED as follows:

1. Applicant shall not make extensions into territory lying outside of the boundaries hereinabove described without authority first having been obtained from this Commission.

2. Applicant is authorized to file 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 upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. Applicant shall notify this Commission in writing of the completion of the system within Tract No. 1514 in the area for which this certificate is granted, within thirty days thereafter.

4. Applicant shall file within sixty days after the effective date of this order 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 for which this certificate is issued; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.

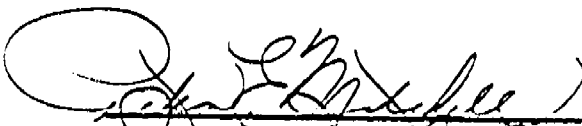
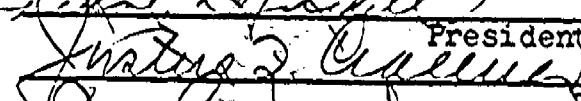
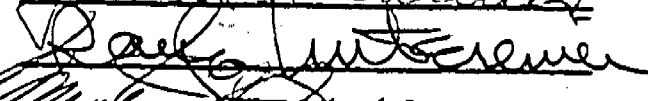
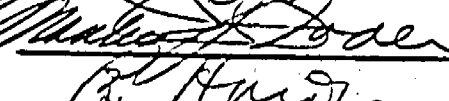
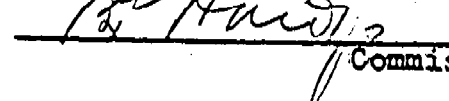
5. Applicant shall base the accruals to depreciation upon spreading the original cost of the plant, less estimated net salvage and depreciation reserve, over the estimated remaining life of the property; applicant shall review the accruals when major changes in plant composition occur and for each plant account at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

6. Within sixty days after the effective date of this order applicant shall subscribe to local exchange telephone service in the name of Sunnyside Green Water Company and within ten days thereafter shall notify this Commission in writing of having so subscribed.

7. The authorization herein granted will lapse 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 Los Angeles, California, this 31<sup>st</sup> day of January, 1956.

  
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President  
  
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Commissioners

## Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including Tracts 1475, 1514, 1550, 1551, Country Club Estates No. 3, and vicinity, located about  $3\frac{1}{2}$  miles east of the city limits of Fresno, Fresno County.

RATES

	<u>Per Meter per Month</u>
Quantity Rates:	
First 800 cu.ft. or less .....	\$3.00
Next 4,200 cu.ft., per 100 cu.ft.....	.25
Over 5,000 cu.ft., per 100 cu.ft.....	.20
Minimum Charge:	
For $5/8$ x $3/4$ -inch meter .....	\$ 3.00
For $3/4$ -inch meter .....	3.75
For 1-inch meter .....	5.00
For 1- $1/2$ -inch meter .....	8.00
For 2-inch meter .....	13.00

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 SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including Tracts 1475, 1514, 1550, 1551, Country Club Estates No. 3, and vicinity, located about 3½ miles east of the city limits of Fresno, Fresno County.

RATES

	<u>Per Service Connection per Month</u>
For a single family residence including premises not exceeding 8,000 sq.ft. in area ...	\$4.50
a. Additional for each 100 sq.ft. of area of premises in excess of 8,000 sq.ft.....	.03
b. Additional for each evaporative type cooler or refrigeration type air-conditioning unit equipped with return pump or other water-saving device, payable during each month of the year ....	.20
c. Additional for each evaporative type cooler or refrigeration type air-conditioning unit installed without water-saving devices, the flow of cooling water shall be limited to an amount not exceeding one and one-half gallons per minute, per rated ton, payable during each month of the year, per ton or fraction thereof .....	.85

SPECIAL CONDITIONS

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

2. A meter may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1, General Metered Service.



Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including Tracts 1475, 1514, 1550, 1551, Country Club Estates No. 3, and vicinity, located about 3½ miles east of the city limits of Fresno, Fresno County.

RATE

	<u>Per Month</u>
For each hydrant .....	\$2.00

SPECIAL CONDITIONS

1. The cost of installation and maintenance of hydrants will be borne by the utility.
2. The above rate includes use of water for fire protection and for no other purpose. Quantities of water delivered through fire hydrants for any other purpose will be estimated or measured and charges will be made at the monthly quantity rates under Schedule No. 1, General Metered Service.
3. 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.