

ORIGINALDecision No. 53767

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 E. S. CURTIS, dba CURTIS WATER COMPANY,)
 a privately owned company, for a)
 Certificate of Public Convenience and)
 Necessity to Operate a Public Utility)
 Water System and to Establish Rates for)
 Water Service in an Unincorporated Area)
 East of the City of Hanford, California,)
 known as Tract No. 117, under)
 Section 1001 of the Public Utilities)
 Code:)

Application No. 37965

E. S. Curtis in propria persona and
R. C. Soultz for applicant.
W. Ben Stradley for the Commission staff.

O P I N I O N

This application was filed on April 26, 1956. Public hearing was held before Examiner John Power at Hanford on June 6, 1956. At the conclusion of such hearing the matter was submitted pending receipt of a late-filed exhibit.

Applicant seeks a certificate to provide water service in a sixty-acre parcel of land near Hanford, Kings County. This parcel, which includes Tract No. 117, is located in Section 32, Township 18S., Range 22E., Mt. Diablo Base and Meridian. Tract No. 117 is on the south side of State Highway (sign route) No. 198 about 1½ miles east of the city limits of Hanford. It is proposed to subdivide the property into 177 residential lots and 30 business lots on Highway 198. The first development will consist of about 75 lots. The record reveals that applicant has sufficient financial resources to construct and operate such a system.

The system will be operated at first with one well. It is estimated to yield 350 gallons of water per minute when connected to the system. A deep well turbine pump driven by a 15 hp electric

motor will be installed. A second well with a similar pump will be installed when needed. Each well will discharge into a 2,500-gallon pressure tank and from the tanks into the distribution mains. System water pressure is to be maintained at approximately 50 pounds per square inch. There will be about 9,250 feet of 4-inch diameter, 12-gauge dipped and wrapped steel pipe. Service connections will be one inch in diameter. The total cost of the system, including installation was reported by the applicant as being \$33,130.

It is intended to render residential service principally on a flat rate basis. The basic flat rate requested is \$4.50 per month for a lot not in excess of 9,000 square feet in area through a 1-inch service. In a late-filed exhibit (No. 5) applicant gave his estimates of expected revenue and expenses. It appears that power cost and maintenance may have been overestimated. The depreciation accruals may also be too high due to an underestimate of service lives.

After giving careful consideration to the estimates filed by applicant, the Commission finds that the rate proposed has not been justified. The following order will authorize a rate structure based upon a rate of \$3.50 per month for residential service to a lot 10,000 square feet or less in area. The other rates, including meter rates will be adjusted to conform.

The Commission is of the opinion and finds that public convenience and necessity require that the sought operating authority be granted. We further find that the rates set forth in the following order are fair and reasonable.

The certificate of public convenience and necessity issued herein 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,

(1) IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to E. S. Curtis to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described, and as shown on the map marked Exhibit A attached to the application.

(2) IT IS FURTHER ORDERED as follows:

- a. 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 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 to the public after filing as hereinabove provided.
- b. Applicant shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.
- c. Applicant shall file within forty 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; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

d. 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.

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

IT IS FURTHER ORDERED that the application of E. S. Curtis, except as specifically granted herein, be and it is denied without prejudice.

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

Dated at San Francisco, California, this 18th day of SEPTEMBER, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area, including Tract No. 117, adjacent to State Highway 198 and approximately 1 1/2 miles east of the City of Hanford, Kings County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>per Month</u>
First 1,000 cu.ft. or less	\$3.00
Next 2,000 cu.ft., per 100 cu.ft.....	.20
Next 2,000 cu.ft., per 100 cu.ft.....	.18
Next 5,000 cu.ft., per 100 cu.ft.....	.15
Over 10,000 cu.ft., per 100 cu.ft.....	.12
 Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.00
For 3/4-inch meter	3.50
For 1-inch meter	4.50
For 1-1/2-inch meter	7.00
For 2-inch meter	10.00

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