

ORIGINAL

Decision No. 54626

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DAVID R. HEIN to operate a water system in area of Lucerne Valley, San Bernardino County, California; and to establish rates.

Application No. 37628

David R. Hein, for applicant.

Charles W. Drake for the Public Utilities Commission of the State of California.

O P I N I O N

Applicant David R. Hein is an individual who proposes to operate a water corporation, as that term is defined in Section 241 of the Public Utilities Code, in a territory located 4-1/2 miles generally northeast of Lucerne Valley in the County of San Bernardino, State of California. The legal description of the territory proposed to be served, as amended at the hearing, is as follows:

The north half of Section 32, comprising 320 acres, and the northwest quarter of the southwest quarter of Section 32, comprising 40 acres, all in Township 5 north, Range 1 east, S.B.B. & M.

Public hearings were held before Examiner Grant E. Syphers in Los Angeles on May 14, June 18 and June 29, 1956. On these dates evidence was adduced and on the last named date the matter was submitted subject to the filing by the applicant of a water potability test. This test now has been made and the results filed with this Commission. The matter is ready for decision.

The property proposed to be served initially is Tract No. 4794, consisting of 80 acres, and it is not now served by any public utility water corporation. It is contemplated that this tract will be subdivided into approximately 60 lots.

The water facilities of the applicant consist of a well located upon a 65-foot by 50-foot lot. This well is 346 feet deep and is equipped with a Fairbanks Morse deep-well turbine pump and electric motor. With this equipment the well is capable of producing 680 gallons per minute. Water is delivered by the deep-well pump at the surface, into a 21,000-gallon storage tank from which a motor-driven booster pumps the water through a 5,000-gallon hydro-pneumatic tank into the distribution system. In addition the applicant has made arrangements for a standby source of water supply which will come from another well located near the southeast corner of Section 30. It is estimated that this well will produce approximately 700 gallons per minute.

The applicant proposes to install additional facilities consisting of approximately 1,160 feet of 8-inch and 6,140 feet of 6-inch pipe. It is estimated that 60 consumers and 6 fire hydrants will be served by 1959. The consumer services will be metered.

Exhibit 1 is a financial statement of applicant, and Exhibits 3 and 4 are maps of the subdivision development plans. The rates proposed to be charged are set out in the application. They appear, prima facie, to be just and reasonable. ✓

Exhibit 7 is a study presented by the staff of the Hydraulic Section of this Commission, and, in general, sets out the applicant's proposals. Specifically it concludes that a by-pass connection should be installed in the proposed piping system at the well in order to permit delivery of ground water directly into the distribution system in the event of failure of the booster pump.

A consideration of all of the evidence in this record leads us to the conclusion, and we now find, that the proposed operations are justified by the present and future public convenience and necessity as demonstrated on this record. The application will

be granted subject to the condition set out in the order herein, and to the following provision of law:

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 action taken herein shall not be construed to be a finding of the value of the property herein concerned.

It should be noted that the applicant paid \$7,500 for the well site and the pump hereinabove described.

Inasmuch as this is a new service, the rates charged by applicant may be reviewed by this Commission at any subsequent time in order to determine whether or not these rates are resulting in reasonable charges and a reasonable return.

O R D E R

Application having been filed, public hearing having been held thereon, and the Commission having made the foregoing findings and based upon such findings,

IT IS ORDERED:

(1) That David R. Hein, an individual, be and he hereby is granted a certificate of public convenience and necessity to construct and operate a public utility water system in the area hereinabove described, subject to the following condition:

That prior to the commencement of service pursuant to the authority herein granted, applicant shall install a by-pass connection at Well No. 1 of suitable design to permit delivery of water directly into the distribution system by the well pump in the event of failure of the booster pump, and that the Commission shall be notified in writing within five days after completion of such installation.

(2) That the applicant be and he 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 the rules and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order 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 hereinbefore provided.

(3) 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 of 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 various water system properties of applicant.

(4) That applicant shall base the accruals to depreciation upon spreading the original cost of 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) That the authority herein granted shall 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 5th day of MARCH, 1957.

John E. Miller
President
Ray G. Winters
Wm. J. ...
R. Haldy
E. L. Fox
Commissioners

APPENDIX A

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The north half of Section 32 and the northwest quarter of the southwest quarter of Section 32, Township 5 North, Range 1 East, S.B.B. & M., five miles northeast of the town of Lucerne Valley, San Bernardino County.

RATES

Quantity Rates:		<u>Per Meter per Month</u>
First	800 cu.ft. or less	\$ 3.75
Next	700 cu.ft., per 100 cu.ft.....	.30
Next	500 cu.ft., per 100 cu.ft.....	.25
Next	2,000 cu.ft., per 100 cu.ft.....	.20
Over	4,000 cu.ft., per 100 cu.ft.....	.15
Minimum Charge:		
For	5/8 x 3/4-inch meter	3.75
For	3/4-inch meter	4.00
For	1-inch meter	4.75
For	1-1/2-inch meter	7.50
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.