

Decision No. 55878**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
 R. C. and Ethel V. Soultz, a private- )  
 ly owned company, for a Certificate of )  
 Public Convenience and Necessity to )  
 Operate a Public Utility Water System ) Application No. 39352  
 and to Establish Rates for Water )  
 Service in an Unincorporated Area )  
 North and West of Visalia, California, )  
 known as Tract No. 260, Tulare County.)

Robert C. Soultz, in propria persona, for applicants.

W. Ben Stradley, for the Commission staff.

O P I N I O N

By the above-entitled application filed August 21, 1957, R. C. and Ethel V. Soultz request a certificate of public convenience and necessity to operate a public utility water system under the name of Tulco Water Co. to serve a subdivision, designated as Tract No. 260, bounded on the west by Giddings Avenue and on the north by Raver Avenue and located approximately one mile north of the westerly portion of the City of Visalia in Tulare County. Applicants also propose schedules of both flat and meter rates and ask that they be authorized for the water service to be rendered.

A public hearing on the matter was held before Examiner E. Ronald Foster at Visalia on October 15, 1957, prior to which time notices of hearing thereof were published and posted as required by this Commission. No person appeared to oppose granting of applicants' requests. After evidence both oral and documentary had been presented, the matter was submitted upon the receipt of a late-filed exhibit on October 22, 1957 and is now ready for decision.

The Applicants and Service Areas

By Decision No. 51792 dated August 9, 1955, in Application No. 36839, a certificate of public convenience and necessity was granted to R. C. Soultz, doing business as Soultz Pump Company, to construct and operate a public utility system for the distribution and sale of water within a subdivision known as Park Avenue Estates, Tract No. 225, located approximately one-half mile east of the City of Tulare. He is now furnishing water service in that tract at rates differing somewhat from these proposed in the instant application.

The area which applicants now propose to serve with water consists of approximately 34 acres to be developed as a residential subdivision, being a portion of the N. E. quarter of Section 19, T. 18 S., R. 25 E., M. D. B. & M., designated as Tract No. 260 consisting of approximately 150 building sites, as shown on the map filed as Exhibit No. 1 in this proceeding. An area is reserved in the southeastern portion of the tract for a possible future school site. It is contemplated that the school may develop its own water supply but applicants are willing to provide metered service thereto if wanted.

The subdivision is planned to be developed by units, and the map of the first unit entitled Fairview Park No. 1 in the northwest portion of Tract No. 260 indicates a slight revision and re-numbering of the lots in Blocks 1 and 2 containing 53 lots, as shown on Exhibit No. 2 filed herein. The land is flat and the lots vary in shape and size from about 8,000 to somewhat in excess of 10,000 square feet in area.

The Water System

A grant deed executed August 29, 1957, filed as Exhibit No. 3 herein, from United Realty, a corporation, owners and subdividers

of Tract No. 260, conveys to applicants herein an irregular parcel measuring roughly 75 by 110 feet located in the southwesterly portion of the said tract, together with the pumping plant equipment thereon. The existing ten-inch cased well is actually 115 feet deep with water standing at 36 feet below ground level and has been tested to produce 800 g.p.m. with a drawdown of 12 feet. An electrically operated deep-well pump will discharge water from the well into a hydropneumatic tank with automatic pressure switches set to operate the pump at suitable tank pressures.

The water will be distributed from the source of supply through two lines of 5-inch outside diameter pipe with 4-inch branches, all dipped and wrapped No. 12-gauge steel pipe, laid either in public roads or easements dedicated to public utility purposes. Except for a few short stubs, the system is arranged to be entirely circulating. A one-inch galvanized steel pipe service connection will be installed to each lot and there will be several fire hydrants located throughout the tract, with four-inch risers and 2½-inch wharf-type heads. The estimated cost of construction of the system for the entire tract, as shown in the application and as supplemented by Exhibit No. 4 filed herein, is as follows:

Intangible plant, organization expense	\$	350.00
Land for well, pump and tank		850.00
Existing 10" cased well		850.00
30 h.p. pump, including service and panel		4,710.40
3,000-gal. pressure tank and fittings		1,400.00
Transmission and distribution mains, consisting of 3,600 ft. of 5-inch and 4,240 ft. of 4-inch pipe		14,141.60
138 one-inch services @ \$15.00		2,070.00
9 wharf-type fire hydrants @ \$75.00		<u>675.00</u>
TOTAL		<u>\$25,047.00</u>

At the hearing, applicant R. C. Soultz testified that the above-estimated cost would be revised as to the following major items:

- (a) In addition to the existing well, it is planned to drill another with 10" casing and 150 feet deep, when conditions warrant.
- (b) Initially the existing 15 h.p. pumping unit will be used; when the second well is drilled, it will be equipped with another 15 h.p. pumping unit.
- (c) Instead of a 3,000-gallon tank, there will be installed a larger tank of at least 4,500 gallons capacity.

#### Financing

The proposed construction will be financed with the personal funds of applicants. A balance sheet attached to the application as Exhibit "B", showing the financial status of R. C. Soultz, doing business as Soultz Pump Company as of December 31, 1956, indicates that applicants have ample resources to construct the system in progressive stages, as proposed.

#### Proposed Rates and Potential Revenue

Applicants propose a monthly flat rate of \$4.00 for each residence, including water for air coolers, served through a one-inch service connection, with an additional charge of three cents per 100 square feet for area of premises in excess of 8,000 square feet. No rate is proposed for service to fire hydrants since there is no organized fire protection district to which such charge would be applicable. Applicants did propose a schedule of flat rates for swimming pools, depending upon their size, for each fill. However, upon a realization of the difficulties of administering such a rate schedule, it was requested that it be withdrawn and that all service other than that for solely private residential purposes be rendered on a metered basis only.

The schedule of meter rates proposed by applicants provides for a minimum charge of \$3.25 per month for a 5/8 x 3/4-inch meter with proportionately higher charges for larger size meters. Quantity rates for use in excess of the 1,000 cubic feet allowed for the \$3.25 minimum charge range through three blocks of usage at \$0.20, \$0.18 and \$0.15 per 100 cubic feet and \$0.12 per 100 cubic feet for monthly quantities used in excess of 10,000 cubic feet.

There are now twenty homes under construction in the tract which are expected to be ready for occupancy by January 1, 1958. By the end of the year 1958, the rest of the fifty-three homes in the initial unit are planned to be completed. As additional units are developed, applicants plan to install facilities to keep pace therewith.

#### Miscellaneous Items

It is the declared intention of applicants to have someone living in the tract look after the operation of the system and to take care of calls for service. Subscription to telephone service under the name of the water utility will be arranged.

Applicants testified that the County of Tulare requires no franchise for a water utility. A suitable permit will be obtained from the County Health Department prior to placing the existing well into operation. The only public utility water system operating in the immediate vicinity is that of the California Water Service Company, the nearest facilities of which are located about one-half mile away.

#### Findings and Conclusions

The proposed system appears well designed to meet the requirements of General Order No. 103 and, when so constructed, there should be no difficulty in rendering adequate service.

It appears that the system proposed by applicants will be needed by those who move into Tract No. 260 and that no other water service is now available in this area. The rates and charges set forth in Appendix A attached to the following order are found to be reasonable and will be authorized. Applicants appear to be financially capable of carrying out their proposed construction of the water system.

After consideration of the record herein the Commission is of the opinion and finds that public convenience and necessity require the granting of the certificate to applicants as requested.

The certificate of public convenience and necessity herein granted 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 for any amount of money in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as 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 ORDERED that a certificate of public convenience and necessity be and it is hereby granted R. C. and Ethel V. Soultz, doing business as Tulco Water Co., to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described as Tract No. 260 in Tulare County.

IT IS FURTHER ORDERED that:

1. Applicants are 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 under the authority herein granted, together with rules and a 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 this Commission and to the public after filing as hereinabove provided.
2. Applicants 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.
3. Applicants shall file, within thirty 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 tract of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicants.
4. Applicants shall determine the accruals for depreciation by dividing the original cost of the utility plant less estimated future net salvage less depreciation reserve by the estimated remaining life of the plant. Applicant shall review the accruals as of January 1st of the year following the date service is first rendered to the public under the rates and rules authorized herein and thereafter when major changes in utility plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

5. Prior to the date service is first rendered to the public under the authority herein granted, applicants shall file with the Commission evidence of approval by the appropriate health authority of the County of Tulare of the water supply for the water system herein certificated.

The authorization herein granted will 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 3<sup>rd</sup> day of December, 1957.

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 President

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 Commissioners



APPENDIX A  
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Fairview Park, Tract No. 260, located approximately one mile north of the City of Visalia, Tulare County. ✓

RATES

Per Meter  
Per Month

Quantity Rates:

First 1,000 cu. ft. or less.....	\$3.25	✓
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.....	\$3.25	✓
For 3/4-inch meter.....	4.25	✓
For 1-inch meter.....	6.50	✓
For 1 1/2-inch meter.....	11.00	✓
For 2-inch meter.....	16.00	✓

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

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a flat-rate basis.

TERRITORY

The unincorporated area known as Fairview Park, Tract No. 260, located approximately one mile north of the City of Visalia, Tulare County.

RATES

Per Service Con-  
nection Per Month

For each single-family residence, including premises not exceeding 8,000 sq. ft. in area.....	\$4.00	✓
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For each additional 100 sq. ft. of premises in excess of 8,000 sq. ft....	0.03	✓
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SPECIAL CONDITIONS

1. The above residential flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classification will be furnished only on a metered basis.
3. 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.