

ORIGINAL

Decision No. 56570

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Robin G. Kennedy and )  
 Kathryn F. Lovejoy (GOLDEN HILLS )  
 WATER CO.), to operate a water sys- ) Application No. 39701  
 tem near Loomis, Placer County, and )  
 to establish rates. )

Robin G. Kennedy, for applicants.  
F. T. Searls, John C. Morrissey & John S. Cooper,  
 by John S. Cooper, for Pacific Gas and Electric  
 Company, interested party.  
Parke L. Boneysteele, for the Commission staff.

O P I N I O N

Applicants, co-owners of a 27-acre tract and of water storage and distribution facilities near Loomis, Placer County, request a certificate of public convenience and necessity and authority to establish rates for initial development of a domestic water system to be built and operated by Robin G. Kennedy, one of the partners, under the name of Golden Hills Water Company.

The application was submitted at a public hearing held February 25, 1958, at Roseville, before Examiner John M. Gregory.

Applicants propose to obtain untreated water from a Pacific Gas and Electric Company canal about one mile northeast of the tract.<sup>1/</sup> The water will then pass through a steel main varying in diameter from 12 to 6 inches, the greater portion of which, outside the tract, is owned by Mrs. Lovejoy in common with some

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<sup>1/</sup> P.G. & E. Co. Tariff, Cal. P.U.C. 514-W, Map of Placer Ditch System, Sheet 4 of 4, filed December 23, 1954.

five other persons.<sup>2/</sup> Water will then be stored in a 650,000-gallon earthen reservoir, from which it will be pumped and treated and then distributed under pressure to 18 lots, about one-acre each in size, through 2,350 feet of 3½-inch asphalt-dipped 10-gauge steel pipe. As the subdivision grows, the remaining 15 lots will be served by an additional 1,650 feet of 3½-inch main. One and one quarter inch services and one inch meters will be installed. Applicants estimate the installation costs at \$12,784.64, to be financed from their personal funds.

It is proposed to obtain water from Pacific under its Schedule R-1 and ultimately to sell it at rates identical to those of that company's Schedule No. 1, General Metered Service-Treated Water (Decision No. 50248, July 6, 1954, Application No. 34449). The initial quantity rates and basic minimum charges proposed by applicants are shown below:

Quantity Rates:	Per Meter per Month
First 500 cu. ft. or less	\$1.75
Next 2,000 cu. ft., per 100 cu. ft.	.25
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$1.75
For 3/4-inch meter	2.25
For 1-inch meter	3.00

Applicants also proposed a restrictive condition with respect to requirements of a special contract for service in certain instances. No justification for such a condition was shown and it

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<sup>2/</sup> Mrs. Lovejoy claims a right to 44 miners inches of the approximate 144 inches which the record shows may be diverted into the supply main at the canal.

will not be authorized. Applicants will otherwise be authorized to file the proposed schedule of rates.

Applicants have estimated annual revenues and operating expenses, based on service to all 33 lots in the tract, as follows:

Operating Revenues	\$2,560.80
Operating Expenses, incl. taxes & depr.	<u>2,153.93</u>
Net Revenue (calculated)	\$ 406.87

The evidence shows that the system is designed to meet the requirements of General Order No. 103 - "Rules Governing Water Service"; that the quantity of water available from supply and storage is sufficient to serve approximately twice the area requested; that the proposed pumping plant and distribution system are adequate to meet the estimated demand, and that the protective coating and wall thickness of the distribution main are satisfactory.

Representatives of Pacific, present at the hearing, indicated that the company would enter into a contract with applicants to supply water from its canal.

Upon consideration of the record, we are of the opinion and conclude that the application should be granted, subject to the following provision of law with respect to issuance of the requested certificate:

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

Public hearing having been held herein, the matter having been submitted for decision and the Commission now being fully advised,

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 Robin G. Kennedy and Kathryn F. Lovejoy, in Placer County, in the area delineated on a map attached to the application herein as Exhibit 2 thereof; therefore,

IT IS HEREBY ORDERED that:

1. A certificate of public convenience and necessity be and it hereby is granted to Robin G. Kennedy and Kathryn F. Lovejoy to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described.
2. 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, 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 this Commission and to the public after filing as hereinabove provided.
3. Applicants shall notify the Commission in writing of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.
4. Applicants shall file, within forty days after the system is placed in operation, four copies of a comprehensive map, drawn to an indicated scale not smaller than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water supply, transmission, storage and distribution facilities, and the location of applicants' various properties.

5. 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. Applicants shall review the accruals as of January 1 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.

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

Dated at San Francisco, California, this 22<sup>nd</sup> day of April, 1958.

*W. E. [Signature]*  
 President

*Paul [Signature]*

*[Signature]*

*[Signature]*

*[Signature]*  
 Commissioners

## APPENDIX A

## Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated subdivision known as Golden Hills Estates, located approximately four miles east of Loomis, Placer County.

RATES

Quantity Rates:	<u>Per Meter per Month</u>
First 500 cu.ft. or less .....	\$ 1.75
Next 2,000 cu.ft., per 100 cu.ft. ....	.25
Next 2,500 cu.ft., per 100 cu.ft. ....	.18
Next 5,000 cu.ft., per 100 cu.ft. ....	.13
Over 10,000 cu.ft., per 100 cu.ft. ....	.10
 Minimum Charge:	
For 5/8 x 3/4-inch meter .....	\$ 1.75
For 3/4-inch meter .....	2.25
For 1-inch meter .....	3.00
For 1-1/2-inch meter .....	4.00
For 2-inch meter .....	7.50
For 3-inch meter .....	15.00
For 4-inch meter .....	25.00
For 6-inch meter .....	50.00
For 8-inch meter .....	75.00

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