

ORIGINAL

Decision No. 57284

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Frank A. Hoberg, George Hoberg, and Don Emerson, a co-partnership, dba. Pine Heights Water Co., for a certificate of Public Convenience and Necessity to operate a public utility water system, and to establish rates for the service rendered, in a subdivided tract located at Hoberg's, Lake County, California.

Application No. 40128

William Stava and Frank A. Hoberg, for applicants.
W. B. Stradley for the Commission staff.

O P I N I O N

This application was filed on May 29, 1958. Public hearing was held before Examiner John Power at Hoberg's, Lake County, on July 29, 1958. The application was submitted subject to late filing of two exhibits, these have been received and the matter is ready for decision.

The tract for which a certificate is requested is Pine View Heights, No. 1 in the S.W.¼ of the N.W.¼ of Section 35, T12N, R8W, Mt. Diablo Base and Meridian. It lies just across State Highway 29 from Hoberg's resort. It has been subdivided into 34 lots. There will be additional subdividing of adjoining property if justified by sales. The average lot size is about 10,000 square feet.

Applicant presented two witnesses through whom eight exhibits were introduced, with a ninth to be late filed. The presentation

was very complete and revealed the following facts:

The system consists of a well 8 inches in diameter drilled to a depth of 122 feet. In the well a deep well turbine pump has been installed driven by a 5 hp electric motor. It is capable of producing 74 gallons of water per minute against the system working pressures. At the opposite end of the subdivision a 21,000-gallon used redwood storage tank has been installed. Well and tank are joined by a 4 inch line. One and one-half and one inch street crossings and service pipes have been installed, the majority of which serve two lots. There are 2,515 feet of dipped and wrapped steel four inch main line, and 505 feet of 1½ inch galvanized pipe. A total of 350 feet of 1 inch galvanized pipe has been used in the service pipes. Pressures at lot delivery points have been tested at 31 to 45 pounds.

The cost of the system was \$12,250.05 and has been advanced by the three partners in cash. Eventually the system will be incorporated and the three applicants-partners will take stock in payment of their advances. Two of the partners are the owners of Hoberg's resort. They now have a functioning non-utility water service to supply their guests. This non-utility system supplied by three wells will be connected to the proposed utility mains in order to furnish mutual standby services.

Applicant proposed both metered and flat rates. Each of these is divided into annual and "seasonal" (May through October) rates. The basic flat rates are proposed to be applicable to lots having an area of 7,500 square feet or less which is smaller than the majority of the lots in the subdivision. Accordingly this area will be increased to 10,000 square feet which is a more representative size. The seasonal rates as proposed are somewhat high in relation to the level of annual rates. Certain of the rates proposed for

seasonal service have been slightly reduced and the seasonal period extended to seven months to include the month of April. Minimum charges have been added for several meter sizes larger than 5/8 x 3/4 inch.

Lake County requires a franchise for water companies. However, the custom of that county is not to issue such a franchise until after the water system is in actual operation.

The Commission finds and concludes that public convenience and necessity require that the sought certificate be granted and that the rates annexed to the following order as Appendix "A" are fair and reasonable.

The certificate granted in and by the following order 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 HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Frank A. Hoberg, George Hoberg, and Don Emerson, doing business as Pine Heights Water Company, to construct and operate a public utility system for the distribution and sale of water within Pine View

Heights Subdivision No. 1, Lake County, as shown on a map, Exhibit "A" of the application.

IT IS FURTHER ORDERED as follows:

- (1) a. 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 furnished 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. Applicants shall notify this Commission, in writing, of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.
- c. Applicants 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 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.
- d. That 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 first 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.

(2) Within thirty days after the grant to these applicants of a franchise by the County of Lake, applicants shall file a supplemental application herein, requesting authority to exercise the rights and privileges granted by such franchise, attaching thereto a copy of the granting ordinance.

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 2nd day of September, 1958.

E. Lynn Fox
 President

W. E. Mitchell

Madeline J. ...

Thomas J. ...

Commissioners

Commissioner Ray E. Motreiner, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1

ANNUAL GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

The unincorporated area including the subdivision known as Pine Heights, and vicinity, adjacent to State Highway 29, at Hoberg's resort, Lake County.

RATES

Monthly Quantity Rates

	<u>Per Meter Per Month</u>
First 500 cu. ft. or less	\$ 3.00
Next 1,500 cu. ft., per 100 cu. ft.30
Next 3,000 cu. ft., per 100 cu. ft.25
Next 15,000 cu. ft., per 100 cu. ft.20
Over 20,000 cu. ft., per 100 cu. ft.15

Annual Minimum Charge:

	<u>Per Meter Per Year</u>
For 5/8 x 3/4-inch meter	\$ 36.00
For 3/4-inch meter	45.00
For 1-inch meter	60.00
For 1 1/2-inch meter	108.00
For 2-inch meter	156.00
For 3-inch meter	264.00
For 4-inch meter	420.00

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12 month period commencing January 1, and is due in advance. The annual minimum charge will entitle the customer to the quantity of water each month that one-twelfth of the annual minimum charge will purchase at the Monthly Quantity Rates.

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Schedule No. 1

ANNUAL GENERAL METERED SERVICE

SPECIAL CONDITIONS (Continued)

2. The charge for water used in excess of the quantity allowed each month for the annual minimum charge will be billed monthly, bimonthly, or quarterly at the option of the utility on a noncumulative monthly consumption basis.

3. A customer who has established his permanency by having paid for service for each of the preceding 12 months may elect to pay the annual minimum charge on a monthly basis equal to one-twelfth of the annual minimum charge.

APPENDIX A

Schedule No. 15

SEASONAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

The unincorporated area including the subdivision known as Pine Heights, and vicinity, adjacent to State Highway 29, at Hoberg's resort, Lake County.

RATES

Monthly Quantity Rates:

	<u>Per Meter</u> <u>Per Month</u>
First 500 cu. ft. or less, included in Seasonal Minimum Charge.	
Next 1,500 cu. ft., per 100 cu. ft.	\$.30
Next 3,000 cu. ft., per 100 cu. ft.25
Next 15,000 cu. ft., per 100 cu. ft.20
Next 20,000 cu. ft., per 100 cu. ft.15

Seasonal Minimum Charge:

	<u>Per Meter</u> <u>Per Season</u>	<u>Quantity Allowed</u> <u>Per Month for</u> <u>Minimum Charge</u>
For the 7-month period April through October:		
For 5/8 x 3/4-inch meter	\$ 26.25	500 cu. ft.
For 3/4-inch meter	29.75	700 cu. ft.
For 1-inch meter	38.50	1,300 cu. ft.
For 1 1/2-inch meter	70.00	2,500 cu. ft.

SPECIAL CONDITIONS

1. The seasonal minimum charge is due in advance and will entitle the customer to the quantity of water each month that corresponds to the seasonal minimum charge as shown above.
2. The charge for water used in excess of the quantity allowed each month for the seasonal minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.
3. A customer, having paid the seasonal minimum charge, may obtain service during any other months of the same calendar year upon payment of a monthly minimum charge equal to one-seventh of the seasonal minimum charge for each such month service is desired. All water used in excess of the monthly minimum allowance shown above will be billed at the Monthly Quantity Rates.

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Schedule No. 2

ANNUAL GENERAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all flat rate water service furnished on an annual basis.

TERRITORY

The unincorporated area including the subdivision known as Pine Heights, and vicinity, adjacent to State Highway 29, at Hoberg's resort, Lake County.

RATES

	<u>Per Service Connection Per Year</u>
For a single family residence or business establishment including premises not exceeding 10,000 square feet in area	\$ 39.00
a. For each additional single family residence or business establishment on the same premises and served from the same service connection	18.00
b. For each 100 square feet of area in excess of 10,000 square feet24

SPECIAL CONDITIONS

1. The residential flat rate charges 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. The annual flat rate charges apply to service during the 12 month period commencing January 1, and are due in advance. A customer who has established his permanency by having paid for service for each of the preceding 12 months may elect to pay the annual flat rate charges on a monthly basis equal to one-twelfth of the annual flat rate charge.
4. Meters may be installed at option of utility only for above classification in which event service thereafter will be furnished on the basis of Schedule No. 1, Annual General Metered Service, or Schedule No. 1S, Seasonal Metered Service.

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Schedule No. 2SR

SEASONAL GENERAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Pine Heights, and vicinity, adjacent to State Highway 29, at Hoberg's resort, Lake County.

RATES

	<u>Per Service Connection Per Season</u>
For the 7-month period April through October:	
For a single family residence or business establishment including premises not exceeding 10,000 square feet in area	\$ 28.00
a. For each additional single family residence or business establishment on the same premises and served from the same service connection	14.00
b. For each 100 square feet of area in excess of 10,000 square feet14

SPECIAL CONDITIONS

1. The residential flat rate charges 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 customer, having paid the seasonal flat rate charge, may obtain service during any other months of the same calendar year upon payment of one-seventh of the seasonal flat rate charge for each such month service is desired.
4. Meters may be installed at option of utility only for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1S, Seasonal Metered Service, or Schedule No. 1, Annual General Metered Service.