

Decision No. 57590**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LARKSPUR MEADOWS WATER )  
 CO., a corporation, for a certificate )  
 of public convenience and necessity )  
 to operate a water system in Larkspur )  
 Meadows Subdivision, located near Red )  
 Bluff, Tehama County, California; to )  
 establish rates and to issue stock. )

Application No. 40325

Roland Wolfe, for applicant.  
Sidney Webb and W. B. Stradley, for the  
 Commission staff.

O P I N I O N

This application was filed on August 7, 1958. Public hearing was held at Red Bluff before Examiner Power on September 18 and the matter was submitted.

Applicant seeks a certificate of public convenience and necessity to establish a water system, to establish rates therefor, and to issue and sell 250 shares of its capital stock of \$100 per share par value. In support of the application, two witnesses testified orally and five exhibits were introduced. A staff witness also testified and through him an exhibit was introduced.

The service area is approximately one mile south of the Red Bluff city limits and one mile west of U. S. Highway No. 99 West. It is proposed to develop the property in four units numbered consecutively, consisting respectively of 29, 55, 51 and 73 lots. The system for Unit No. 1 (29 lots) is in and for No. 2 (55 lots) is expected to be installed soon. Development of the last two units will depend on public response to the sales program. The total area is about 63 acres in extent.

A well has been drilled to a depth of 205 feet with a diameter of 8 inches. A deep well turbine pump driven by a 10 hp motor has been installed. This installation will pump about 200 gallons per minute into a redwood storage tank of 100,000 gallons' capacity. This in turn will discharge into a pressure tank with a small booster pump to create system pressure. Mains will vary in diameter from 8 inches to 4 inches, and 10-gauge dipped and wrapped steel pipe has been and will be used. Fire hydrants will be installed as required.

Applicant proposed a basic flat rate of \$5.50 per month per dwelling of five rooms or less. Additional charges of 25 cents per room in excess of five rooms, and 3 cents per month per 100 square feet of lot area in excess of 8,800 square feet, were proposed. These charges were claimed by applicants to be comparable to other water systems in the area. A schedule of meter rates was also proposed and a fire hydrant rate of \$1.50 per month was proposed at the hearing.

After giving careful consideration to the estimates filed by applicant, the Commission finds that the flat rate proposed has not been justified. The following order will authorize a rate structure based upon a flat rate of \$4.00 per month for residential service to a lot 10,000 square feet or less in area.

Flat rates will be authorized for services of 1 inch diameter, or less, only. All commercial service should be metered.

Exhibit 6, introduced through a staff witness, gave the results of a financial survey of applicant. Approximately \$16,000 will be required to purchase the plant installed at the time of the hearing. The rest will be needed to complete the installation.

The Commission finds and concludes that:

1. Public convenience and necessity require that the sought certificate be granted.
2. The rates attached to the following order as Appendix "A" are reasonable.
3. The money, property or labor to be procured or paid for by the issue of the stock authorized by the following order is reasonably required for the purpose specified herein and that such purpose is not, either in whole or in part, reasonably chargeable to operating expense or to income.

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 Larkspur Meadows Water Co., a corporation, to construct and operate a public utility system for the distribution and sale of water in Larkspur Meadows Subdivision and a portion of Lots 31 and 32, Orchard Park, Tehama County, as shown on a map Exhibit "B" of the application.

IT IS FURTHER ORDERED as follows:

1. (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 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) Applicant 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) Applicant shall file, within forty days after the system has been 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 applicant.
  - (d) That applicant 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 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.
2. Larkspur Meadows Water Co., a corporation, on and after the effective date hereof and on or before February 28, 1959, may issue not exceeding \$25,000 par value of its common stock at par in exchange for the existing water facilities referred to in the foregoing opinion and for cash to complete the water system.

3. Larkspur Meadows Water Co. shall file with the Commission a report or reports as required by General Order No. 24-A, which order insofar as applicable is made a part of this order.

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 10<sup>th</sup> day of November, 1958.

T. L. Fox  
President  
Paul G. Peterson  
Markus  
Theodore Jensen  
Commissioners

## Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Larkspur Meadows Subdivision and vicinity, located approximately one mile south of the City of Red Bluff, Tehama County.

RATES

Quantity Rates:		<u>Per Meter</u> <u>Per Month</u>
First	500 cu.ft. or less .....	\$ 3.00
Next	1,000 cu.ft., per 100 cu.ft. ....	.30
Next	8,500 cu.ft., per 100 cu.ft. ....	.20
Over	10,000 cu.ft., per 100 cu.ft. ....	.15
 Minimum Charge:		
For	5/8 x 3/4-inch meter .....	\$ 3.00
For	3/4-inch meter .....	4.25
For	1-inch meter .....	5.75
For	1-1/2-inch meter .....	9.00
For	2-inch meter .....	14.00

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

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Larkspur Meadows Subdivision and vicinity, located approximately one mile south of the City of Red Bluff, Tehama County.

RATES

	<u>Per Service Connection Per Month</u>
For a single family residence, including premises not exceeding 10,000 sq.ft. in area	\$4.00
For each 100 sq.ft. of area in excess of 10,000 sq.ft. ....	.02

SPECIAL CONDITIONS

1. The above 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. Meters 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. When a meter is installed at option of customer, metered service must be continued for at least 12 months before service will again be furnished at flat rates.

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated area known as Larkspur Meadows Subdivision and vicinity, located approximately one mile south of the City of Red Bluff, Tehama County.

RATE

	<u>Per Month</u>
For each hydrant .....	\$1.50

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the utility.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. The utility will supply only such water at such pressure as may be available from time to time as the result of its normal operation of the system.