

ORIGINAL

Decision No. 58501

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 JOHN J. and ELIZABETH M. WARZEE,)
 dba WARZEE WATER CO., a privately)
 owned company, for a certificate of)
 public convenience and necessity to)
 operate a public utility water)
 system and to establish rates for)
 water service in an unincorporated)
 area south and east of Porterville,)
 California, known as Tract No. 288)
 and adjacent area, as set forth in)
 Section 1001 of the Public Utility)
 Code.)

Application No. 40936

John J. Warzee and R. C. Soultz, for applicants.
W. B. Stradley, for the Commission staff.

O P I N I O N

This application for a certificate of public convenience and necessity to construct and operate a public utility water system was filed on March 17, 1959. Public hearing was held before Examiner John Power at Porterville on April 23, 1959 and the matter was submitted.

Applicants own a tract of about 40 acres. It is anticipated that it will eventually be subdivided into 105 residential lots plus a small commercial area. It is described as a portion of lots 35, 36 and 37 of Mentz Subdivision No. 3, being in the E½ of the SW¼ of Sec. 6, T.22 S., R.28 E., M.D.B.& M. The field adjoins the northern part of the Porterville State Hospital property on the west. It is south and east of the City of Porterville. It is slightly more than one-half mile from the nearest public utility water system. The Tule River lies between these two systems and the city limits. Porterville has a municipally owned system, but no protest was made to the present application.

Applicants' first unit has been recorded as Tract No. 288, Tulare County. It consists of 18 lots along Road 258. Water will be supplied by a well 12 inches in diameter by 248 feet deep. A deep well turbine pump driven by a 20-hp electric motor will deliver water through a 3,000-gallon pressure tank into the distribution system. With a pressure setting of 35 pounds, minimum, to 55 pounds, maximum, this well is estimated to deliver 260 gallons per minute against average system pressure. If pressure drops to 30 pounds delivery would rise to 350 gpm. Distribution will be effected through 1,360 feet of 4-inch diameter asbestos cement pipe. Eighteen 1-inch galvanized services and two 2½-inch fire hydrants will complete the first unit of the system.

If the subdivision prospers the water system will be expanded by another well, pump, motor and pressure tank of the same types and sizes. Seven thousand eight hundred additional feet of 4-inch asbestos cement pipe, with 1-inch services at each lot will be installed.

Applicants submitted a rate proposal in their application. The basic meter rate would be a \$3.25 per month minimum charge for a 5/8 by 3/4-inch meter. This sum would entitle the customer to 1,000 cubic feet of water. The basic single residence flat rate requested is \$4 per month for lots of 9,000 square feet or less. With the possible exception of one lot all of the first 18 lots (i.e. Tract No. 288) are larger than this, the prevailing size being 70 by 130 feet or 9,100 square feet. It appears that the proposal is comparable with other small water utilities in the southern San Joaquin Valley similarly situated to applicants' and it will be authorized with certain minor modifications.

An owner of property adjoining the Warzee land attended the hearing and requested that any certificate granted be restricted to

the Warzee property. Only such area as is designated on Exhibit A attached to the application will be certificated at this time. The applicants may, however, extend service into contiguous territory under the conditions prescribed in Section 1001 of the Public Utilities Code if and when requests for such service are made by adjoining property owners.

The Commission finds that public convenience and necessity require that the certificate applied for be granted.

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 John J. and Elizabeth M. Warzee, doing business as Warzee Water Company, to construct and operate a public utility system for the distribution and sale of water in an unincorporated area in Tulare County shown on a map, Exhibit A attached to the application on file herein.

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 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 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 applicants.
- d. 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 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.

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 22nd day of May, 1959.

E. Lynn Fox
President

W. L. ...

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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 subdivision known as Tract No. 288, and vicinity, adjacent to the intersection of Worth Road and County Road 258, approximately 1½ miles southeasterly of the City of Porterville, Tulare County.

RATES

Quantity Rates:

	<u>Per Meter</u> <u>Per Month</u>
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 1½-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. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated subdivision known as Tract No. 288, and vicinity, adjacent to the intersection of Worth Road and County Road 258, approximately 1½ miles southeasterly of the City of Porterville, Tulare 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.03

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.