

**ORIGINAL**Decision No. 58969

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 L. R. UNSER and P. O. LARSON, doing )  
 business as MOUNTAIN-AIRE WATER )  
 COMPANY, for a certificate of public ) Application No. 41162  
 convenience and necessity to operate )  
 a public utility system in Mountain- )  
 Aire Subdivision, Tulare County. )

Lawrence R. Unser and Paul O. Larson, in  
propria personae, applicants.  
Guy Knuop, Jr., for Carl Crew and Evaline  
Crew, interested parties.  
James R. Barrett, for the Commission staff.

O P I N I O N

This application was filed on May 25, 1959. Public hearing was held before Examiner E. Ronald Foster at Porterville on July 9, 1959. At the conclusion of this hearing the matter was submitted and is now ready for decision.

Applicants seek a certificate of public convenience and necessity to construct and operate a water system to supply a 50-acre area known as Mountain-Aire Subdivision, Tract No. 293, located in the east half of the southwest quarter of Section 9, Township 21 south, Range 31 east, M.D.B. & M., in an unincorporated area of the County of Tulare, approximately 35 miles east of Porterville and about 21 miles east of the community of Springville, and at an elevation of around 5,800 feet. As shown on the revised, tentative map of the subdivision filed as Exhibit No. 1, there will be 128 lots averaging about 12,000 square feet or more in area, which applicants propose to sell for mountain resort type dwellings. There is no other water system near enough to supply water to this area.

As indicated on the map attached to the application as Exhibit A, a 12-inch well about 75 feet deep is located on private property of one of the applicants just outside and across the Forest Service road from the southwest corner of the subdivision. A similar well at a higher elevation on the same property is located about 600 feet south of the first well. It is proposed to syphon water from the second well to fill a 15,000-gallon storage tank to be placed at the first well. Together these wells are reported to be capable of producing about 350 gallons of water per minute. When there are around 10 residences in the tract requesting electric service it will be economically feasible to bring electric power into the area by extension from a public utility electric system, at which time an electrically operated pump, equipped with automatic controls, will be installed at the lower well. In the meantime, applicants propose to operate a gasoline engine-driven pump to boost the water into a 35,000-gallon steel storage tank to be situated at the highest elevation within the tract, which will provide pressures at the customers' service connections ranging from 30 to 100 pounds per square inch. After electricity is available, the gasoline engine unit will be maintained for emergency standby service.

A six-inch main will transmit the water from the wells to the distribution system which will consist of four-inch piping arranged to provide a circulating system with no excessively long dead ends. Applicants propose to install a total of over 8,000 feet of asbestos-cement pipe laid at sufficient depth to prevent freezing. Service connections to the individual lots will be through 3/4-inch diameter galvanized pipe. There will be about eight wharf-type hydrants on the system, consisting of four-inch leads and risers equipped with 2½-inch fire hose valves. The State Division of

Forestry offers fire protection service in the area. Applicants state that the Forest Service is unwilling to pay any standby charge for fire hydrants and therefore no such rate has been requested.

Applicants have made application through the Tulare County Health Department for the necessary permit to be issued by the State Board of Public Health.

As revised at the hearing, the total cost of the system, including 96 metered services and 8 fire hydrants, is estimated at about \$33,000. Applicants propose to finance construction costs with their personal funds. Financial statements of the two applicants, attached as Exhibit E of the application, indicate a combined net worth as of May 25, 1959, in excess of \$200,000, of which \$56,000 is represented by their interest in the Mountain-Aire Subdivision.

Applicants propose to render only 8-month seasonal service from March 1 through October 31 and have proposed both flat rate and meter rate schedules for such service. Winter season rates have not been requested, inasmuch as the area is presently inaccessible during the winter months. However, the water system has been so designed that adequate winter service may be furnished in the event that roads to the area should be kept open in the future. A seasonal flat rate of \$48 for each single-family residence has been proposed. The proposed metered service schedule includes a basic seasonal minimum charge of \$40 for service through a 5/8 by 3/4-inch meter, which would entitle the customer to 500 cubic feet of water per month. For additional usage, the quantity rates range through blocks from 45 to 25 cents per 100 cubic feet of water.

Applicants anticipate that while the majority of the lots in the tract may be sold within one year from the time they are first placed on sale, they do not expect more than 20 or 25 per cent of

them will be built upon within the next three or four years, and that probably no more than 80 per cent of all of the lots will be built upon. Applicants are aware that until such time as that percentage of occupancy is attained, operating revenues from the water system may not exceed expenses of operation. They testified that they have the requisite financial ability and are willing to carry on the operation of the water system during this interim period.

Mr. and Mrs. Carl Crew attended the hearing and testified as to their interest in the proceeding because of the fact that they have a strip of property, about 640 feet in length and averaging 150 feet in width, which is directly west of and adjoining applicants' two well sites. They have a cabin for which they obtain water from springs on their said property and are apprehensive that the production of water from applicants' wells in the volume required to supply the proposed subdivision may deplete the supply from their springs. They wished to place the applicants on notice that in the event of such results it may be necessary to recover damages through court action or otherwise.

#### Findings and Conclusions

Applicants' water supply and storage facilities and distribution system appear to be well designed to meet the requirements of the Commission's General Order No. 103 and, when completed as proposed, there should be no difficulty in rendering adequate service. While the said order recommends one-inch diameter service connections for lots larger than 10,000 square feet in area, it appears that the 3/4-inch service connections, as planned, will be adequate for the type of service to be rendered, since the area is wooded and little or no lawn or garden irrigation is anticipated.

In order that the property on which the wells, tanks and related facilities are and will be located be dedicated to public utility operations, as well as easements for pipelines which will not be located in public streets, applicants will be required to file with the Commission documentary evidence to that effect.

It appears, and we find, that applicants are financially capable of carrying out their proposed construction and operation of the water system.

The Commission finds and concludes that public convenience and necessity require that the requested certificate be granted. The Commission further finds and concludes that the rates set forth in the appendix to the following order, which are the same (except as to form of schedules) as those proposed by applicants, are fair and reasonable for the seasonal service to be rendered.

No franchise is required by the County of Tulare.

The certificate hereinafter 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 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 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 L. R. Unser and P. O. Larson to construct and operate a public utility system for the distribution and sale of water in Mountain-Aire Subdivision, Tract

No. 293, consisting of approximately 50 acres in unincorporated territory located in the east half of the southwest quarter of Section 9, Township 21 south, Range 31 east, M.D.B. & M., approximately 35 miles east of Porterville and about 21 miles east of the community of Springville, 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. 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.

5. Prior to the date service is first rendered under the authority herein granted, applicants shall file with the Commission a copy of the permit or other evidence of approval, issued either by the State Board of Public Health or the Tulare County Health Department, of the sources of water supply for the water system herein certificated.

6. If the authorization herein granted is exercised, applicants shall dedicate to public utility purposes the land parcels or areas on which the wells, pumps, tanks and related water facilities are or will be located and any easements or permits where water mains are or will be located, otherwise than in streets dedicated to public use, including the rights of way for the transmission line from the wells to the distribution system, and shall file with the Commission, not later than thirty days after the system is first placed in operation under the rates and rules authorized herein, one copy of each appropriate document showing such dedication, easement or permit.

The authorization herein granted will expire if not exercised within one year after the date hereof.

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

Dated at San Francisco, California, this 12th day of September, 1959.

[Signature]  
 President

[Signature]

[Signature]

[Signature]

Theodore Jenner  
 Commissioners

APPENDIX A  
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Schedule No. 1S

SEASONAL METERED SERVICE

APPLICABILITY

Applicable to all seasonal metered water service.

TERRITORY

The unincorporated area including the subdivision known as Mountain-Aire Subdivision, Tract No. 293, and vicinity, located approximately 21 miles east of the community of Springville, Tulare County.

RATES

		<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:		
First	500 cu.ft. or less included in Seasonal Minimum Charge.	
Next	1,500 cu.ft., per 100 cu.ft. ....	\$0.45
Next	3,000 cu.ft., per 100 cu.ft. ....	.35
Over	5,000 cu.ft., per 100 cu.ft. ....	.25
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 8-month period March 1 through October 31:		
For	5/8 x 3/4-inch meter .....	\$40.00      500 cu.ft.
For	3/4-inch meter .....	48.00      700 cu.ft.
For	1-inch meter .....	60.00      1,000 cu.ft.

SPECIAL CONDITIONS

1. The seasonal minimum charge is payable in advance on or before March 1st of each year.
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.

Schedule No. 2SR

SEASONAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Mountain-Aire Subdivision, Tract No. 293, and vicinity, located approximately 21 miles east of the community of Springville, Tulare County.

RATE

Per Service Connection  
Per Season

For a single family residence, including premises, for the 8-month period March 1 through October 31 .....	\$48.00
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SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. The seasonal minimum charge is payable in advance on or before March 1 of each year.
3. All service not covered by the above classification will be furnished only on a metered basis.
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.