

ORIGINAL

Decision No. 59036

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY for,)
 among other things, such certificate)
 or certificates of public convenience)
 and necessity as may be necessary to)
 construct, operate, maintain and use)
 the treated water system herein)
 described; to exercise franchise)
 rights; and for authorization to supply)
 treated water in the TOWN OF PENRYN,)
 County of Placer, at the rates and)
 charges proposed.)
 (Water)

Application No. 41213

F. T. Searls, John C. Morrissey and John S. Cooper,
 for applicant.
Albert F. Bequette, Penryn Elm School, interested
 party.
Verner R. Muth, for the Commission staff.

O P I N I O N

Pacific Gas and Electric Company requests authority to
 operate and maintain a treated water system in the unincorporated
 Town of Penryn in the County of Placer.

A public hearing was held before Examiner Thomas E. Daly
 on August 21, 1959, at Sacramento.

Applicant proposes to provide a treated water system from
 its Penryn Canal to the unincorporated Town of Penryn. The system
 will include facilities for storage, maintaining pressure, equipment
 for chlorination, services and meters. As initially installed the
 system will include about 3,550 feet of 6-inch main, 4,050 feet of
 4-inch main, and 1,400 feet of 2-inch main, or a total of about
 9,000 feet of main. Applicant estimates that a total capital expendi-
 ture of approximately \$85,000 will be required to complete the system.
 Of the ninety potential customers, eighty-six have indicated that
 they will use the service when installed.

An excess capacity to be delivered at the rate of 10,000 gallons per day has been provided for at the request of the Penryn School District. This excess capacity would be held in reserve for the future needs of the Penryn Grammar School, which is located outside of the community of Penryn and beyond applicant's proposed service area. The School District has agreed to pay applicant \$15,000 in consideration for the reserve capacity. As it is not definitely known how soon the grammar school will need water from the proposed system, this capacity would be held until applicant is notified that such water service is required by the school. The School District is willing to contract for an extension of main of approximately 700 feet. The cost of the extension is estimated at \$5,000 which would be advanced by the School District and made subject to refund. According to a representative of the School District the district would save approximately \$7,000 by using the applicant's proposed water system rather than installing its own.

According to the evidence, applicant has submitted an applicant-agreement form, (Exhibit 1), to each resident of Penryn. Under one of the provisions of this form, the signer agrees to take service as long as he occupies the property for which service is requested. However, in response to questions concerning the period of service, applicant's witness stated that, in any event, applicant's filed tariff schedules would govern.

Applicant proposes to make effective its presently effective rates, charges, rules and regulations applicable to its Placer Water System for treated water service, namely:

Schedule

- 3 General Metered Service Treated Water
- F-2 Private Fire Protection Service
- F-3 Public Fire Hydrant Service

The following is a rate of return analysis made by applicant based upon the assumption that it will be serving about 160 domestic and commercial customers and the Penryn Grammar School in the fifth year of operation:

Revenue	\$13,270
Expenses	10,260
Net for Return & Income Tax	3,010
Income Tax	600
Return	2,410
Capital	93,950
Rate of Return	2.6%

After consideration, the Commission is of the opinion and so finds that public convenience and necessity require the construction, operation and maintenance of a public utility water system in the proposed area. The Commission finds that applicant may exercise within said area the franchise granted by the County of Placer, the franchise granted to its predecessor, Frederick Birdsalle.

The certificates of public convenience and necessity issued herein are subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the franchise involved herein or these certificates of public convenience and necessity, or the right to own, operate or enjoy such franchise or certificates of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the issuance of such franchise, certificate of public convenience and necessity or right.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Pacific Gas and Electric Company to construct,

operate and maintain a public utility water system for the distribution and sale of water in the area set forth in Exhibit 3 in this proceeding.

(2) That a certificate of public convenience and necessity is hereby granted to Pacific Gas and Electric Company to exercise the water franchise granted by the County of Placer to applicant's predecessor, Frederick Birdsall, in January, 1888, as described on page 320 of Book E of the Supervisor's Minutes, a copy of which is attached to the application as Exhibit C.

(3) That applicant is authorized to apply, after the effective date of this order, its presently effective Placer Water System Schedules (3, F-2, F-3) to the area certificated herein.

(4) That applicant shall, after the effective date of this order, revise its presently filed tariff schedules, including a tariff service area map, in accordance with the procedure prescribed by General Order No. 96, to provide for the application of such tariff schedules as hereinabove authorized for water service in the area being certificated by this order, such revised tariff sheets to become effective on or before service is first furnished to the public under the authority herein granted. The hereinabove-mentioned tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

(5) That applicants shall notify the Commission in writing, of the date service is first rendered to the public, under the authority herein granted, within ten days thereafter.

(6) That applicant shall file, within one hundred and eighty 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 three hundred feet to the inch, delineating by appropriate marking the mains, tracts of land and

territory served for which this certificate is issued, the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

(7) That applicant is hereby authorized to carry out the terms and conditions of the letter agreement dated February 9, 1959, with the Penryn School District, a copy of which is attached to the application as Exhibit E.

(8) That applicant shall file with this Commission within thirty days after the effective date of this order, two certified copies of the agreement as executed, together with a statement of the date on which the agreement is deemed to have become effective.

The authority herein granted will lapse 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 September, 1959.

[Signature]
 President

[Signature]

[Signature]

[Signature]

Theodore Jensen
 Commissioners