

Decision No. 59271**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ANGORA WATER CO., a )  
 corporation, for a certificate of )  
 public convenience and necessity to )  
 operate water systems. ) Application No. 41249

Scott Elder and Melvin E. Beverly, for applicant.  
Kneeland H. Lobner, for Meyers Water Co., protestant.  
W. B. Stradley, for the Commission's staff.

O P I N I O N

Angora Water Co. filed this application on June 22, 1959 in order to obtain a certificate of public convenience and necessity to render water service in two areas in El Dorado County. One area presently consists of Country Club Heights Subdivision, Units Nos. 1 and 2, located in Sections 20 and 21, Tp. 12 N., R. 18 E., MDB&M. The other, called Christmas Valley Subdivision, Unit No. 2, is in Section 5, Tp. 11 N., same range and meridian. Country Club Heights is adjacent to U. S. Highway 50 and Christmas Valley is adjacent to the new route of State Highway 89. Both subdivisions are near the south end of Lake Tahoe in Meyers Valley.

Public hearing was held at Al Tahoe on September 1, 1959 and the matter was submitted.

A protest was entered on behalf of the Meyers Water Company. This company now serves water in an area located between the two proposed Angora systems but not immediately contiguous to either of them. Meyers alleges that it is one half mile from Country Club Heights and one and one quarter miles from Christmas Valley. Meyers has, from time to time, improved its system and has money available to make further improvements as needed.

There are, nevertheless, very good reasons why the protest should not be upheld. There are over a thousand sold lots in and in the vicinity of Meyers' certificated service area. Heavy demand for new services may arise at any time. Some of these lots are being taken into the system under Meyers' extension rule; others are in contiguous territory where requests for service have been made.

In view of possible future conflict with areas contiguous to Meyers' certificated service area, expansion of applicant's Country Club Heights system to the south and to the west will be limited by the order herein.

Angora proposed an elaborate schedule of flat rates covering both residential and commercial use. For single-family dwellings, it proposes a summer rate of \$45, a winter rate of \$35, and a year-round rate of \$72. For two-family dwellings, \$85 and \$65 or \$135. Each season is of six months' duration. Annual rates quoted (they are 10% less than the seasonals totaled together) are somewhat comparable with or slightly higher than at least three companies in the surrounding area, and the proposed seasonal rates are also above the rates of the neighboring water utilities. It is clearly the more prevalent custom around the southern shore of Lake Tahoe to file seasonal rates with the greater charge falling on the summer service. Since Angora has never operated, an accurate determination of rates cannot be made at this time. The requested annual and seasonal rates for dwellings, however, do not appear unreasonable for the proposed operations. They will be approved with minor

modification in format, together with meter and fire hydrant rates as set forth in Appendix "A" attached hereto.

The other proposed flat rates will not be authorized. Commercial customers can be more equally treated by a measured service. Applicant's proposed quantity rates and minimum charge for the smallest size of meter will be approved. However, in order to reflect the comparatively higher costs of providing service through meters larger than 5/8 x 3/4-inch, the minimum charges for those larger meters will be established at a higher level than the corresponding minimum charges proposed by applicant.

Angora Water Co. will acquire two parcels of land. Each will be a well and pressure tank site. Each contains 20,000 sq. ft. and each is valued at \$3,500. Applicant proposes to spend \$3,690 for two pump and tank houses, \$5,650 for two wells, \$5,300 for pumping plants, and \$2,650 for pressure tanks.

Both systems will distribute through dipped and wrapped steel pipe. The gauge is 10 for the 8-inch pipe and 12 for the other diameters. There will be 4,800 ft. of 4-inch pipe, 9,380 ft. of 6-inch pipe, and 2,150 ft. of 8-inch pipe in the two systems. The piping is estimated to cost \$56,521.40.

When services and other costs are added, the total plant is estimated at \$103,463.40, of which \$94,213.40 will be depreciable. Applicant seeks to issue stock having a par value of \$1.00 per share to cover the cost of acquiring the water system referred to above. The following order will authorize the issuance of 103,463 shares of \$1.00 par value stock for the purposes set forth in the application.

In conclusion, the Commission finds:

1. That public convenience and necessity will require the services of Angora Water Co. as a public utility water system in the two areas referred to in the first paragraph of this opinion.

2. That the rates attached to the following order are fair and reasonable.

3. That the money, property or labor to be procured or paid for by the issue of the securities herein authorized is reasonably required for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return applicant should be allowed to earn on its investment in plant and that the approval herein given is not to be construed as a finding of value of applicant's stock or properties nor as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

The certificate hereinafter granted shall be 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 in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

Public hearing having been held and the Commission basing its decision on the findings set forth in the foregoing opinion,

IT IS ORDERED that:

1. A certificate of public convenience and necessity is hereby granted to Angora Water Co. to construct and operate a public utility water system in the two areas referred to in the foregoing opinion, and as shown on Exhibit No. 2 attached to the application.

IT IS FURTHER ORDERED that:

1. 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 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. Applicant 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. Applicant 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 400 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. 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 1st of the year following date 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. Angora Water Co. may issue not to exceed 103,463 shares of its one dollar par value, common capital stock (total par value \$103,463) for the purposes set forth in the amendment to the application on file herein.

6. Angora Water Co. shall file monthly reports, as required by General Order No. 24-A, which order, so far as it is applicable, is hereby made a part hereof.

7. Applicant shall not extend its Country Club Heights system to furnish service west of U. S. Highway 50 nor south of the southern boundaries of Country Club Heights Subdivision, Unit No. 4, as shown on the map attached to the application as Exhibit No. 2, Part 1, without further order of this Commission.

8. The authorization herein granted will expire if not exercised within one year after the effective date of this order.

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

Dated at San Francisco, California, this 17th day of November, 1959.

*George A. Pope*  
 President

*[Signature]*

*[Signature]*

*[Signature]*

Commissioners

Schedule No. 1

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated areas known as Country Club Heights, and vicinity, located adjacent to U.S. Highway 50, and Christmas Valley, and vicinity, located adjacent to State Highway 89, both near the community of Meyers, El Dorado County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:	
First 800 cu.ft. or less .....	\$ 6.00
Next 1,200 cu.ft., per 100 cu.ft. ....	.30
Next 3,000 cu.ft., per 100 cu.ft. ....	.25
Over 5,000 cu.ft., per 100 cu.ft. ....	.20
Annual Minimum Charge:	
	<u>Per Meter</u> <u>Per Year</u>
For 5/8 x 3/4-inch meter .....	\$ 72.00
For 3/4-inch meter .....	88.00
For 1-inch meter .....	120.00
For 1 1/2-inch meter .....	187.00
For 2-inch meter .....	256.00

The Annual Minimum Charge will entitle the customer to the quantity of water each month which one-twelfth of the annual minimum charge will purchase at the Monthly Quantity Rates.

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance.

Schedule No. 1

ANNUAL GENERAL METERED SERVICE (Contd)

SPECIAL CONDITIONS (Contd)

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



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Schedule No. 1S

SEASONAL GENERAL METERED SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated areas known as Country Club Heights, and vicinity, located adjacent to U.S. Highway 50, and Christmas Valley, and vicinity, located adjacent to State Highway 89, both near the community of Meyers, El Dorado County.

RATES

Per Meter  
Per Month

Monthly Quantity Rates:

First	800 cu.ft. or less, included in Seasonal Minimum Charge	
Next	1,200 cu.ft., per 100 cu.ft. ....	\$ .30
Next	3,000 cu.ft., per 100 cu.ft. ....	.25
Over	5,000 cu.ft., per 100 cu.ft. ....	.20

Seasonal Minimum Charges:

	<u>Per Meter Per Season</u>		<u>Quantity Allowed:</u>
	<u>Summer Season</u>	<u>Winter Season</u>	<u>Per Month for</u>
	<u>May 1, through:</u>	<u>Nov. 1, through:</u>	<u>Seasonal Min.</u>
	<u>October 31</u>	<u>April 30</u>	<u>Charge</u>
For 5/8 x 3/4-inch meter	\$ 45.00	\$ 35.00	800 cu.ft.
For 3/4-inch meter	53.00	43.00	1,200
For 1-inch meter	69.00	59.00	2,000
For 1 1/2-inch meter	102.00	92.00	4,000
For 2-inch meter	137.00	127.00	6,400

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either or both seasons.
2. The seasonal minimum charge is payable in advance on or before the initial day of the season and entitles the customer to the quantity of water each month that corresponds to the seasonal minimum charge as shown above.

(Continued)

Schedule No. 1S

SEASONAL GENERAL METERED SERVICE (Contd)

SPECIAL CONDITIONS (Contd)

3. 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.

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Schedule No. 2R

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated areas known as Country Club Heights, and vicinity, located adjacent to U.S. Highway 50, and Christmas Valley, and vicinity, located adjacent to State Highway 89, both near the community of Meyers, El Dorado County.

RATES

	<u>Per Service Connection Per Year</u>
For a single family residence, including premises .....	\$72.00
a. For each additional residence on the same premises and served from the same service connection .....	63.00

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. All residential 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, Annual General Metered Service, or Schedule No. 1S, Seasonal Metered Service.
4. The annual flat rate charge is payable in advance on or before January 1 of each year.

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Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated areas known as Country Club Heights, and vicinity, located adjacent to U.S. Highway 50, and Christmas Valley, and vicinity, located adjacent to State Highway 89, both near the community of Meyers, El Dorado County.

RATES

	<u>Per Service Connection</u> <u>Per Season</u>	
	<u>Summer Season:</u> <u>May 1 through:</u> <u>October 31 :</u>	<u>Winter Season:</u> <u>Nov. 1 through:</u> <u>April 30 :</u>
For a single family residence, including premises .....	\$45.00	\$35.00
a. For each additional residence on the same premises and served from the same service connection .....	40.00	30.00

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.

2. All residential 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, Annual General Metered Service, or Schedule No. 1S, Seasonal Metered Service.

(Continued)

Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE (Contd)

SPECIAL CONDITIONS (Contd)

4. Service may be taken under this schedule for either or both seasons.

5. The seasonal flat rate charge is payable in advance on or before the initial day of the season.

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 areas known as Country Club Heights, and vicinity, located adjacent to U.S. Highway 50, and Christmas Valley, and vicinity, located adjacent to State Highway 89, both near the community of Meyers, El Dorado County.

RATE

Per Month

For each Steamer type hydrant ..... \$3.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the monthly quantity rates under Schedule No. 1, Annual 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.