

Decision No. 59600**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Carl W. and Pauline A. Allison dba )  
 VALLEY VIEW WATER CO., a privately )  
 owned company, for a certificate of )  
 public convenience and necessity to )  
 operate a public utility water sys- )  
 tem and to establish rates for water )  
 service in an unincorporated area )  
 north and west of Porterville known )  
 as Tract No. 307, as set forth in )  
 Section 1001 of the Public Utility )  
 Code. )

Application No. 41488

O P I N I O N

By this application, filed September 14, 1959, Carl W. and Pauline A. Allison, doing business as Valley View Water Company, ask that the Commission: (1) grant them a certificate of public convenience and necessity to operate a public utility water system and (2) establish rates for the water service to be rendered.

The area for which a certificate is requested is located approximately one mile northeast of the City of Porterville at the intersection of Pioneer and Prospect Avenues. The area is unincorporated and consists of Tract No. 307, Tulare County and an adjacent 14 lots owned by applicants, totalling approximately 30 acres which will be subdivided into 106 building sites. There is no other public utility water system in the area proposed to be served.

Applicants state that the source of water will be two wells equipped so as to be capable of producing a total of 550 gallons per minute against a line pressure of 35 pounds. A 5,000-gallon pressure tank will maintain operating pressure. Distribution mains will consist of four-inch and six-inch pipe. The system appears to be adequate for the service to be rendered and meets the

minimum requirements of General Order No. 103. Applicants state that they are able to finance the cost of this water plant.

Applicants proposed rates which are at a level comparable with rates authorized by the Commission for other recently certificated water utilities in the Tulare-Kings Counties area. Flat rate service would be provided at \$4.00 per month for single-family residential premises not exceeding 8,500 square feet in area plus three cents per month for each 100 square feet of area in excess of 8,500. In addition, general metered service would be provided at the following basic rates:

Monthly Quantity Rates

	<u>Per Meter Per Month</u>
First 1,000 cubic feet or less	\$3.25
Next 2,000 cubic feet, per 100 cu. ft.	.20
Next 2,000 cubic feet, per 100 cu. ft.	.18
Next 5,000 cubic feet, per 100 cu. ft.	.15
Next 10,000 cubic feet, per 100 cu. ft.	.12

A minimum monthly charge depending on meter size, varying from \$3.25 for a 5/8 by 3/4-inch meter to \$16.00 for a 2-inch meter, would entitle the metered customer to the quantity of water which that monthly minimum charge would purchase at quantity rates.

It is estimated by applicants that the proposed rates would generate total annual revenues of \$4,416, which, after provision for annual operating expenses, including taxes and depreciation, would produce an annual net income of \$1,620. This would amount to a return of 6.5 percent on an investment in water plant estimated by applicants to be \$24,802.

No protests regarding this matter have been received by the Commission.

The Commission has given consideration to this matter and is of the opinion that a public hearing is not necessary. The Commission finds that public convenience and necessity require the construction and operation of a public utility water system in the

service area requested. Further, the Commission finds that the rates which applicants propose to charge are just and reasonable for the service to be rendered.

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.

The authorization granted herein shall not be construed to the effect that any amounts herein referred to are indicative of amounts to be included in a future rate base.

## O R D E R

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to Carl W. and Pauline A. Allison to construct and operate a public utility water system to serve that area in Tulare County bounded on the north by Pioneer Avenue, on the west by Beverly Street, on the south by Westfield Avenue and on the east by Prospect Avenue, as also delineated upon Exhibit A, attached to the application.

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 200 feet to the inch, delineating by appropriate markings the tracts 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 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.

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

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

Dated at San Francisco, California, this 1st day of February, 1960.

Everett O. Pease  
President  
Walter B. Smith  
Walter B. Smith  
E. L. Fox  
Theodore J. Jenner  
Commissioners

APPENDIX A  
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## Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including the subdivision known as Valley View Park, Tract No. 307, and vicinity, located approximately 1 mile northeast of the City of Porterville, Tulare County.

RATES

Quantity Rates:	Per Meter
	<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 1-1/2-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.

APPENDIX A  
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## Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Valley View Park, Tract No. 307, and vicinity, located approximately 1 mile northeast of the City of Porterville, Tulare County.

RATES

	Per Service Connection Per Month
For a single family residence, including premises not exceeding 8,500 sq. ft. in area ...	\$4.00
For each 100 sq.ft. of area in excess of 8,500 sq. ft. ....	.03

SPECIAL CONDITIONS

1. The above residential flat rates 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.