

ORIGINALDecision No. 60502

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Thos. L. Clay, DBA
 Jurupa Hills Water Company, for a
 certificate of public convenience
 and necessity to operate a water
 system, for authorization of water
 rates, and for establishment of
 rules and regulations.

Application No. 40932

Thos. L. Clay, applicant.R. M. Mann, for the Commission staff.OPINION AND ORDER ON FURTHER HEARING

By Decision No. 58906, issued August 18, 1959, the Commission found that public convenience and necessity would require the granting of a certificate to applicant and that the rates for water service set forth in said decision were reasonable "if its water system were constructed in accordance with General Order No. 103". Applicant was granted a ninety-day period, subsequently extended, in which to file satisfactory proof that the water system meets the minimum standards set forth in the general order.

Applicant, on February 23, 1960, filed a document titled "Proof of Establishment of Satisfactory Water System For Decision No. 58906 And For Issuance of Certificate". Further public hearing in the matter was held on June 2, 1960 at Los Angeles. Further evidence was adduced and the matter was submitted subject to the receipt of two late-filed exhibits. Such exhibits having been duly filed, the matter is now ready for decision.

As recited in Decision No. 58906, applicant's water system was deficient in four respects. These were: (1) insufficient or no outside protective covering of certain mains, (2) insufficient wall thickness of certain mains, (3) undersized primary distribution lines and transmission mains, and (4) an undersized booster pump. Following said decision, applicant made certain improvements to the system. The booster pump has been replaced with one of greater capacity and the transmission mains at the wells have been effectively enlarged. These improvements reasonably remove or satisfactorily alleviate the deficiencies of items (3) and (4).

The deficiencies of items (1) and (2) cannot physically be corrected except at prohibitive costs and the Commission will not require applicant to incur such costs. These deficiencies, however, should not be allowed to become a burden on future ratepayers and for this reason the Commission finds that the public interest requires that the books of applicant reflect the shortened physical lives of plant items inevitably resulting from these deficiencies, with the depreciation reserve being restated in an amount representing the reserve requirement as of October 31, 1959, calculated on the basis of such shortened lives. Accordingly, applicant will be ordered to set up on its books a depreciation reserve of \$11,100 as of such date, and thereafter to determine depreciation accruals in accordance with the straight-line remaining-life method of depreciation accounting. Of the aforementioned total depreciation reserve, \$8,110 is to be related to transmission and distribution mains. Further, applicant is placed upon notice that such reserve requirement will be considered by this Commission in future rate proceedings involving this water system.

Applicant has an agreement, dated October 15, 1955, (Exhibit No. 13 in this proceeding) with the subdivider relative to the sale of land and installation of water facilities. The agreement would affect future extensions of the existing water system and in so doing is contrary to this Commission's Decision No. 50580, in Case No. 5501, which established the main extension rule applicable to all public utility water systems. In such respect, the agreement can have no force and effect and applicant is placed on notice that extensions of facilities are to be made only in accordance with applicant's filed main extension rule.

In the light of the evidence of record, the Commission finds that public convenience and necessity require that the certificate sought by applicant be granted. Such certificate is subject to the 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.

Based upon the evidence and the findings contained in this Commission's Decision No. 58906 and in the foregoing opinion after further hearing in the matter,

IT IS ORDERED as follows:

1. A certificate of public convenience and necessity is hereby granted to Thos. L. Clay (Jurupa Hills Water Company) to construct and operate a public utility system for the distribution and sale of water within Jurupa Hills Subdivision Units Nos. 1, 2, 3 and 4 as said area is shown on Exhibit A attached to the application herein.

2. Applicant shall not extend his water system or his water operations outside the territory herein certificated without authority first having been obtained from this Commission.

3. Applicant is authorized to file in quadruplicate with this Commission, after the effective date of this order and in conformity with the provisions of General Order No. 96, the schedules of rates and charges attached to this order as Appendix A and, after not less than five days' notice to the public and to this Commission, to make said rates and charges, together with tariff service area map and rules governing customer relations acceptable to the Commission, effective for water service rendered on and after August 15, 1960.

4. Within sixty days after the effective date of this order, applicant shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served, the principal water production, storage, transmission and distribution facilities, and the location of the various water system properties of applicant.

5. Applicant shall make such entries on his books as will reflect the original costs of utility plant and a depreciation reserve of \$11,100 as of October 31, 1959.

6. Beginning with the year 1960, applicant shall determine accruals for depreciation for each primary account by dividing the original cost of utility plant, less estimated future net salvage and less depreciation reserve, by the estimated remaining life of the plant. Applicant shall review the accruals as of

January 1, 1961; whenever substantial changes in plant composition occur and at intervals of not more than five years. Such reviews shall be submitted to this Commission.

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

Dated at San Francisco, California, this 2nd day of August, 1960.

Carroll B. Bays
President
W. L. B. Bays
W. L. B. Bays
E. L. Fox
Theodore 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 Jurupa Hills Subdivision Units Nos. 1, 2, 3 and 4, and vicinity, approximately two miles east of the community of Pedley, Riverside County.

RATES

Per Meter
Per Month

Quantity Rates:

First	800 cu.ft. or less	\$ 2.00
Next	700 cu.ft., per 100 cu.ft.20
Next	1,000 cu.ft., per 100 cu.ft.15
Next	2,500 cu.ft., per 100 cu.ft.12
Over	5,000 cu.ft., per 100 cu.ft.10

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 2.00
For	3/4-inch meter	3.00
For	1-inch meter	4.50
For	1 1/2-inch meter	9.00
For	2-inch meter	14.00
For	3-inch meter	21.00

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.

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Schedule No. 3 LMZ

LIMITED METERED SURPLUS IRRIGATION SERVICE

APPLICABILITY

Applicable to all measured water service furnished on a surplus basis to the lands currently owned by Thos. L. Clay for agricultural irrigation purposes.

TERRITORY

The unincorporated area including Jurupa Hills Subdivision Units Nos. 1, 2, 3 and 4, and vicinity, approximately two miles east of the community of Pedley, Riverside County.

RATE

For all water delivered, per 100 cubic feet \$0.08

SPECIAL CONDITION

Service under this schedule is limited to those times when water is available in utility's system in excess of the maximum demands of all other customers of the utility.

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Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated area including Jurupa Hills Subdivision Units Nos. 1, 2, 3 and 4, and vicinity, approximately two miles east of the community of Pedley, Riverside County.

RATE

Per Month

For each 4-inch Riser-Type hydrant attached
to a 4-inch or larger diameter main \$1.50

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the public authority.
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.

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Schedule No. 9 CM

WATER HAULAGE SERVICE

APPLICABILITY

Applicable to all tank truck water sales.

TERRITORY

The unincorporated area including Jurupa Hills Subdivision Units Nos. 1, 2, 3 and 4, and vicinity, approximately two miles east of the community of Pedley, Riverside County.

RATE

Tank truck deliveries, per 100 cubic feet \$1.00